



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit www.mpmc.mb.ca & www.spimg.ca

Friday, June 04, 2010

Hog Prices: ↓ Soymeal: ↓
Corn: ↓ Cdn Dollar: ↑

US Slaughter	
412,000 – Thursday's	
412,000 - Thursday's (year ago)	
US Iowa/Sthrn MN	\$77.14
Western Corn Belt	\$77.09
Daily National Price	\$79.35
Daily Sig3(M.Leaf)	\$147.18
Daily Sig4(M.Leaf)	\$146.71
4-Month Fwd Avg	\$145.38
#1 Export Sows (+500lbs) \$51.00 cwt	
B of C Ex. Rate (Noon) \$1.0416CAD / \$0.9601US	
Cash Prices: Week Ending June 4th, 2010	
67.10/147.92 Signature #3	
67.41/148.62 Signature #4	
66.16/145.85 MPMC Cash	
64.00/141.10 Springhill	

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Forward contract prices opened lower this morning. U.S. cash markets experienced huge volatility this week as daily changes in packer bids ranged from \$3.50/cwt higher and \$2.30/cwt lower. Packers are planning for a large Saturday kill, and it appears that a short lived spike in bids was enough to secure a slaughter of more than 100,000 hogs for tomorrow. Wholesale pork prices have eroded slightly, but are still trading close to 50% higher than at the same time last year. Lean Hog futures are expected to finish the week mixed, with the fall month contracts holding their value compared to the summer month contracts. The Canadian Dollar is trading lower this morning, but could recover based on this morning's release of employment data that showed Canada created double the number of jobs in May as was expected.

Canadian delivered soymeal prices opened lower this morning. The soybean complex opened lower this morning as a result of a spike in the U.S. Dollar. As well, reports of China cancelling a large shipment of South American soybeans due to full ports are contributing to this bearish theme. Small showers expected over the weekend in the U.S. are expected to delay the remaining planting, which could buoy prices for next week.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning after a decline in crude oil prices and a strengthening of the U.S. Dollar. Continued projections for record corn yields in the Midwest are contributing to this bearish movement. However, a large purchase of U.S. corn by South Korea is expected to limit downside pressure.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		148.33	150.89	139.85	134.81	125.67	118.25	123.53	131.21	
		151.37	153.77	144.17	141.22	133.37	130.48	130.73	133.13	
(Maple Leaf Sig. #4)		146.43	147.97	140.07	133.90	124.77	122.88	122.41	129.84	
		148.90	150.30	145.83	138.81	131.67	131.29	127.99	131.24	
Estimated Hog Margin		27.86	26.75	25.34	18.81	16.73	11.15	10.36	12.83	16.65
Soymeal Delivered	356	359	362	365	325	322	322	318	323	331
Corn Delivered	151	153	155	157	159					

CONGRATULATIONS
Springfield Colony Farms
Winner of the May 2010 Sow and Boar Lottery