

Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, June 07, 2010

Hog Prices: ↑ **Soymeal:** ↓

Corn: ↓ **Cdn Dollar:** ↑

US Slaughter	
1.791 Mill. — Last Week's	
2.093 Mill. — Last Week's (year ago)	
US Iowa/Sthrn MN	\$76.19
Western Corn Belt	\$76.20
Daily National Price	\$79.34
Daily Sig3(M.Leaf)	\$146.88
Daily Sig4(M.Leaf)	\$148.10
4-Month Fwd Avg	\$141.96
#1 Export Sows (+500lbs) \$51.00 cwt	
B of C Ex. Rate (Noon) \$1.0516CAD / \$0.9509US	
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 higher this morning. U.S. cash markets are expected to find support at current levels, but the choppy trade may still continue for another week as packers and producers square off. Current prices are well supported by the pork cut-out at close to \$85.00/cwt and close to 50% higher than last year's levels. This represents better than a \$17.00 per hog profit, without considering the value of by-products. Lean Hog futures may find it difficult to recover from Friday's losses when the weaker cash market, higher U.S. Dollar and poor job growth all conspired to move the contracts lower. However, the lower Canadian Dollar is having a positive impact on hog prices after it lost the gains it had made over the previous week and now trades at less than 94 cents U.S.

Canadian delivered soymeal prices opened lower this morning. Soybean markets opened lower this morning as a result of fundamentally bearish yield predictions, which will alleviate the current tight old-crop supply. However, downside pressure is expected to be limited as rain in the U.S. has delayed the last leg of seeding.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning on pressure from gains in the U.S. Dollar and continued projections for record corn yields in North America. Small showers throughout the Midwest are also expected to favor developing crops in the absence of destructively hot weather.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		146.13 147.68	147.20 151.59	137.56 141.92	132.79 139.10	123.57 131.34	118.92 128.42	121.32 127.56	128.04 129.96	124.81 128.77
(Maple Leaf Sig. #4)		144.41 145.73	144.79 148.57	137.90 143.70	131.98 136.77	122.76 129.72	119.07 129.34	121.39 124.92	126.59 128.45	125.51 127.30
Estimated Hog Margin		27.86	26.75	25.34	18.81	16.73	11.15	10.36	12.83	16.65
Soymeal Delivered	359	362	365	368	328	326	326	323	328	336
Corn Delivered	152	154	156	158	160					



Rothsay Animal Vegetable Feed Fat

\$613/tonne ↓ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

