

# Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, June 08, 2010

**Hog Prices:** ↓ **Soymeal:** ↑

**Corn:** ↓ **Cdn Dollar:** ↑

US Slaughter	
402,000 – Monday's	
406,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$75.08
Western Corn Belt	\$75.20
Daily National Price	\$78.84
Daily Sig3(M.Leaf)	\$145.29
Daily Sig4(M.Leaf)	\$147.50
4-Month Fwd Avg	\$139.39
#1 Export Sows (+500lbs) \$53.25 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0540CAD / \$0.9488US	
<b>Cash Prices: Week Ending June 4th, 2010</b>	
67.10/147.92 Signature #3	
67.41/148.62 Signature #4	
66.16/145.85 MPMC Cash	
64.00/141.10 Springhill	

*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.*

**Forward contract prices opened lower this morning.** Packers continue to control the direction of the cash market by limiting their daily slaughter levels to a manageable 400,000 hogs per day. However, there is talk of a larger Saturday kill that could trigger an improvement in cash bids. Wholesale pork prices have seemingly no interest in following seasonal trends, as they have been steadily losing value over the last few weeks, while they normally start to see a rally over the first two weeks of June. The higher U.S. Dollar combined with greater uncertainty in the global economy could be weighing heavily on export sales. The Canadian Dollar found support yesterday from our resilient domestic economy, which continues to outpace that of any other developed country. The strong economic fundamentals creates a bias for a stronger loonie, especially when there are not overwhelming risks in global markets.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex opened higher this morning despite having 75% of the U.S. crop rated as good to excellent, the highest rating in history for this time according to Monday's USDA Crop Report. The bullish movement came as a result of firm cash prices and a lack of pressure from outside markets. With 84% of the crop planted, upside movement is expected to be limited.

**Canadian delivered corn prices opened lower this morning.** Corn markets are trading lower this morning after Monday's USDA Crop Report stated 94% of the U.S. corn crop was emerged (up from 91% in 2009). With regular showers and non-stressful weather, traders are already projecting potential yields of 168 to 170 bushels per acre.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		144.70	145.57	134.41	130.68	121.47	118.44	120.87	127.67	124.37
		146.06	148.44	138.76	135.69	129.23	126.32	127.19	129.62	128.26
(Maple Leaf Sig. #4)		143.03	143.22	134.84	129.93	120.73	118.65	121.00	126.27	125.14
		144.15	145.52	140.65	133.46	127.68	127.30	124.58	128.15	126.83
Estimated Hog Margin		21.58	22.00	15.69	13.33	8.03	8.29	9.48	13.96	13.59
Soymeal Delivered	358	358	361	364	340	337	337	326	329	329
Corn Delivered	148	150	152	154	156					



## 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

