

Hog Margin Outlook

Meeting Your Marketing Needs

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www.mpmc.mb.ca & www.spimg.ca

Wednesday, June 09, 2010

Hog Prices: ↓ **Soymeal:** ↑

Corn: ↔ **Cdn Dollar:** ↑

US Slaughter	
401,000 – Tuesday's	
415,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$75.79
Western Corn Belt	\$75.62
Daily National Price	\$78.42
Daily Sig3(M.Leaf)	\$145.79
Daily Sig4(M.Leaf)	\$146.41
4-Month Fwd Avg	\$140.05
#1 Export Sows (+500lbs) \$53.25 cwt	
B of C Ex. Rate (Noon) \$1.0518CAD / \$0.9508US	
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. Packers have firmed up their bids for live supplies delivered into the end of the week, but the weaker wholesale pork market continues to provide little rationale for packers to expand their slaughter schedule. The carcass cut-out has eroded to its lowest level in two months, a trend that is in the opposite direction as normally seen at this time of year. However, prices are still about 50% higher than levels seen last year at this time, in part due to a supply of hogs that is about 4% smaller and improvements in export demand. Lean Hog futures are seeing greater influence from currency fluctuations, reflecting the reliance that the pork market has on export sales. The Canadian Dollar is trading over \$0.96 U.S. this morning as oil prices and global financial markets see some strength.

Canadian delivered soymeal prices opened higher this morning. The soybean complex continues its upward movement this morning as a result of limited availability of old crop inventories and an absence of farmer selling. As well, the USDA announced another purchase of U.S. soybeans and soyoil by China for the 2010-11 marketing year, thereby contributing to the current bullish trend.

Canadian delivered corn prices opened steady this morning. Corn markets opened steady this morning after recent downward movement was countered by increased crude oil prices and weakness in the U.S. Dollar. Fundamentally bearish weather in the Midwest is expected to cap gains as subsoil moisture conditions are excellent and will limit possible hot-weather stress.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		144.32	146.03	135.35	131.55	122.48	120.81	123.23	130.00	126.23
		146.51	149.18	139.64	136.42	130.12	127.25	129.51	131.93	130.09
(Maple Leaf Sig. #4)		142.61	143.63	135.69	130.72	121.66	120.92	123.26	128.51	126.91
		144.55	146.22	141.41	134.14	128.50	128.13	126.82	130.38	128.60
Estimated Hog Margin		21.58	22.00	15.69	13.33	8.03	8.29	9.48	13.96	13.59
Soymeal Delivered	362	358	361	364	336	334	334	325	327	327
Corn Delivered	147	149	151	153	155					



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

