

Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, June 14, 2010

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

US Slaughter	
2.026 Mill. – Last Week's	
2.079 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$75.03
Western Corn Belt	\$74.99
Daily National Price	\$77.52
Daily Sig3(M.Leaf)	\$142.03
Daily Sig4(M.Leaf)	\$142.18
4-Month Fwd Avg	\$139.49
#1 Export Sows (+500lbs)	\$53.25 cwt
B of C Ex. Rate (Noon)	\$1.0333CAD / \$0.9678US
Cash Prices: Week Ending June 11th, 2010	
65.43/144.25 Signature #3	
66.18/145.90 Signature #4	
64.60/142.41 MPMC Cash	
62.46/137.70 Springhill	

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Forward contract prices opened steady this morning. U.S. cash markets are expected to open steady this week as improved demand from packers may be offset by a larger than expected hog supply. The March Hogs and Pigs Report pegged June/July hog supplies down 4% from last year's levels, a larger drop than what we have seen in recent weeks with last week only 2.5% lower. Nearby Lean Hog futures are expected to be stable this week, but this is contingent on a firmer cash market. Deferred month contracts represent fair value when normal seasonality is applied, however, a large part of the price risk comes from the possibility of a significant rally in the Canadian Dollar. The Canadian Dollar continues to trade in huge volatility as uncertainty remains in global financial markets.

Canadian delivered soymeal prices opened higher this morning. The soybean meal market opened higher this morning on support from a weaker U.S. Dollar and a lack of farmer selling. As well, tight old-crop supplies have resulted in a decreased crush rate - 131.7 million bushels in April to 127.8 million bushels in May.

Canadian delivered corn prices opened higher this morning. Corn markets are again trading higher this morning following a slide in the U.S. Dollar. Continued projections for a record corn yield in the U.S. are expected to limit gains as growing conditions are still considered favorable despite wet weather in the past week.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		146.55	146.08	135.94	132.76	123.83	122.26	124.62	131.23	127.79
			146.55	149.55	140.16	137.04	131.35	128.53	130.76	131.57
(Maple Leaf Sig. #4)		143.82	143.64	136.18	131.84	122.92	122.23	124.52	129.64	129.60
			144.55	146.55	141.82	134.71	129.65	129.29	127.99	131.46
Estimated Hog Margin		21.58	22.00	15.69	13.33	8.03	8.29	9.48	13.96	13.59
Soymeal Delivered	365	365	367	370	340	337	337	325	323	323
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

