

# Hog Margin Outlook

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Tuesday, June 15, 2010

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

US Slaughter	
402,000	— Monday's
414,000	— Monday's (year ago)
US Iowa/Sthrn MN	\$75.10
Western Corn Belt	\$75.19
Daily National Price	\$77.51
Daily Sig3(M.Leaf)	\$141.31
Daily Sig4(M.Leaf)	\$141.06
4-Month Fwd Avg	\$140.58
#1 Export Sows (+500lbs)	\$51.75 cwt
<b>B of C Ex. Rate (Noon)</b>	\$1.0253CAD / \$0.9753US
<b>Cash Prices: Week Ending June 11th, 2010</b>	
65.43/144.25	Signature #3
66.18/145.90	Signature #4
64.60/142.41	MPMC Cash
62.46/137.70	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 higher this morning.** Packers started the week with higher cash bids despite another drop in the pork cut-out. Wholesale pork prices influenced the decision of packers to expand or contract their weekly production volumes, however, prices have been on a steady decline for the last several weeks. Traders appear cautiously optimistic about the short term direction of the cash market as the July futures contract holds close to a \$5.00/cwt premium to the cash market. Lean Hog futures are starting to see a bullish influence from the ongoing Foot and Mouth Disease outbreak in Japan, where they are having difficulty controlling its spread. Traders believe the U.S. could experience increased exports to Japan if the U.S. Dollar continues its weaker trend.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex is trading higher this morning after Monday's USDA Crop Report announced a 2% lower rating for soybeans in the U.S. due to late rains on the not-yet established crop. Wet weather has also delayed a large amount of canola seeding in western Canada, buoying soybean prices.

**Canadian delivered corn prices opened lower this morning.** Corn markets opened slightly lower this morning on gains from improved crop ratings (from 76% last week to 77% this week) and excellent weather in the Midwest. There are, however, weather premiums on corn, as pollination is yet to occur. Losses in wheat are also contributing to the current bearish outlook.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		147.57	147.09	137.18	133.50	124.52	122.47	124.84	131.48	127.87
		147.57	150.87	141.43	138.32	132.08	129.25	131.00	133.37	131.67
(Maple Leaf Sig. #4)		144.82	144.63	137.41	132.57	123.60	122.45	124.75	129.89	129.70
		145.55	147.83	143.08	135.96	130.38	130.01	128.24	131.72	130.07
Estimated Hog Margin		22.76	22.85	16.45	14.86	10.12	10.13	11.82	16.29	15.77
Soymeal Delivered	364	364	366	370	339	337	337	323	321	321
Corn Delivered	153	155	157	159	161					



## 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

