

# Hog Margin Outlook

Meeting Your Marketing Needs

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[www.mpmc.mb.ca](http://www.mpmc.mb.ca) & [www.spimg.ca](http://www.spimg.ca)

Thursday, June 17, 2010

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

<b>US Slaughter</b>	
406,000 – Wednesday's	
406,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$78.75
Western Corn Belt	\$77.51
Daily National Price	\$77.79
Daily Sig3(M.Leaf)	\$145.43
Daily Sig4(M.Leaf)	\$141.34
4-Month Fwd Avg	\$141.71
#1 Export Sows (+500lbs) \$51.75 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0251CAD / \$0.9755US	
<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.** Cash markets jumped close to \$3.00/cwt in some regions yesterday, as packers are finding supplies tighter than expected. At the same time, wholesale pork prices slid by about \$1.50, largely due to weaker prices for hams and loins. The impact on packer profitability from these two factors was huge, an estimated \$8.00/hog drop in operating margins. Packers also have had to contend with the seasonal trend to lighter carcass weights, which typically results in a drop of 7 lbs over the next few weeks. Lean Hog futures are seeing modest gains based on the cash market strength, but traders remain skeptical of further strength due to weaker pork prices and technical indicators that still show a bearish trend.

**Canadian delivered soymeal prices opened higher this morning.** Soybean meal markets maintained their bullish movement this morning as rain in Western Canada has severely reduced canola acres. Continued excess moisture in the U.S. is also buoying prices as the health of seedlings are being threatened. Firm cash prices and scarce farmer selling are also providing support for soybean prices.

**Canadian delivered corn prices opened higher this morning.** Corn markets opened higher this morning on spillover support from both soybeans and wheat, along with stronger than expected weekly export sales (from 900,000 tons to 1.2 million tons). Hot and dry weather in China has limited their corn production, thereby contributing to the current bullish movement.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		148.03	149.92	138.67	133.96	124.98	122.82	125.19	131.81	127.17
		148.98	150.96	142.93	139.73	132.54	129.71	131.34	133.70	130.96
(Maple Leaf Sig. #4)		145.55	146.55	138.86	133.02	124.04	122.78	125.08	130.21	127.73
		146.83	148.29	144.54	137.33	130.82	130.46	128.56	132.04	129.38
Estimated Hog Margin		22.76	22.85	16.45	14.86	10.12	10.13	11.82	16.29	15.77
Soymeal Delivered	359	360	362	365	339	336	336	325	326	326
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

