

# Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, June 21, 2010

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

US Slaughter	
2.011 Mill. – Last Week's	
2.071 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$77.12
Western Corn Belt	\$77.33
Daily National Price	\$78.96
Daily Sig3(M.Leaf)	\$145.12
Daily Sig4(M.Leaf)	\$143.49
4-Month Fwd Avg	\$139.16
#1 Export Sows (+500lbs)	\$51.75 cwt
B of C Ex. Rate (Noon)	
\$1.0238CAD / \$0.9767US	
Cash Prices: Week Ending June 18th, 2010	
65.41/144.21 Signature #3	
64.39/141.95 Signature #4	
64.13/141.39 MPMC Cash	
62.32/137.38 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.** U.S. packers pulled back their cash bids on Friday, despite early week evidence that they were aggressively seeking a large Saturday kill. The weekend production run totaled a meager 26,000 hogs, with only a handful of packers choosing to kill. Cash bids are expected to start this week slightly higher as supplies are projected to tighten further in the next 3 weeks. The USDA will release its Quarterly Hogs and Pigs Report on Friday, which is expected to show a sizable drop in near term market hog supplies. Futures traders will be looking to the Report for any signs of expansion of the hog supply in the longer term. The Canadian Dollar is trading sharply higher this morning after China announced that it would allow greater market influence on its currency after it has been pegged to the value of the U.S. Dollar for the last 2 years.

**Canadian delivered soymeal prices opened higher this morning.** Tight old crop supplies and the addition of a risk premium due to weather anxiety are the main forces driving soybean prices higher this morning. Dry weather in China, and continued heavy moisture in Canada are also buoying soybean prices along with solid demand.

**Canadian delivered corn prices opened higher this morning.** China's change in currency policy is causing corn markets to trade higher this morning as there is optimism for an increase in U.S. corn exports. As well, recent heavy rains and the threat of flooding in central and northern areas are contributing support for corn prices. Expectations for record yields are still in place despite weather con-

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		148.95	148.58	137.44	131.86	123.01	121.01	123.35	129.89	125.68
		148.95	150.81	141.61	138.91	130.47	127.67	129.43	131.76	129.43
(Maple Leaf Sig. #4)		146.76	145.14	137.58	130.94	122.10	120.98	123.25	128.32	126.24
		146.76	148.20	143.16	136.50	128.78	128.42	126.69	130.13	127.87
Estimated Hog Margin		22.76	22.85	16.45	14.86	10.12	10.13	11.82	16.29	15.77
Soymeal Delivered	363	363	365	368	347	345	345	323	325	325
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

