

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, June 22, 2010

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

US Slaughter	
378,000 – Monday's	
403,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$78.73
Western Corn Belt	\$78.25
Daily National Price	\$79.49
Daily Sig3(M.Leaf)	\$146.29
Daily Sig4(M.Leaf)	\$143.90
4-Month Fwd Avg	\$141.26
#1 Export Sows (+500lbs) \$50.25 cwt	
B of C Ex. Rate (Noon) \$1.0199CAD / \$.9805US	
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	

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Forward contract prices opened higher this morning. Packers were willing to pay more for live supplies as product markets have been making steady gains, after several weeks of a lower trend. Adding to the rationale for higher bids, producers are current with their marketing, however, available supplies are dwindling, with last week's slaughter down 3% from last year. Over the weekend, lean hog futures gained on the news from China that they would move toward a floating currency, which is likely to increase their purchasing power in world markets. China's economy is growing at close to 12% per year and a stronger Chinese Yuan should lead to increased pork exports from the U.S. and Canada. The Canadian Dollar is still trading well over US\$0.97, but some analysts suggest that the news from China could help slow the rise of the loonie against the U.S. Dollar.

Canadian delivered soymeal prices opened higher this morning. The soybean complex continued upward this morning after a 4% decline in crops rated as good to excellent (from 73% to 69%) according to Monday's USDA Crop Report. Planting is still only 93% complete, down from the 94% average. Wet conditions are the main cause of delay as 5.5 million acres are yet to be planted.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning, despite reports that only 75% of corn was in good-excellent condition, down from 77% according to Monday's USDA Crop Report. While much of the Corn Belt is experiencing wet conditions, the lack of stress caused by hot weather during pollination could bode well for the U.S. crop.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		150.88	151.35	140.11	133.62	124.73	123.01	125.36	131.96	128.00
		150.88	152.76	144.32	140.83	132.22	129.41	131.49	133.84	131.77
(Maple Leaf Sig. #4)		148.65	147.83	140.21	132.66	123.78	122.95	125.23	130.34	128.51
		148.65	150.10	145.84	138.37	130.48	130.12	128.70	132.16	130.15
Estimated Hog Margin		24.31	24.39	18.09	15.24	9.52	9.65	10.55	14.90	14.22
Soymeal Delivered	364	364	366	369	345	345	345	332	333	333
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

