

Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, June 23, 2010

Hog Prices: ↔ Soymeal: ↓

Corn: ↓ Cdn Dollar: ↓

US Slaughter	
395,000 – Tuesday's	
411,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$77.32
Western Corn Belt	\$77.35
Daily National Price	\$80.08
Daily Sig3(M.Leaf)	\$144.63
Daily Sig4(M.Leaf)	\$145.00
4-Month Fwd Avg	\$143.72
#1 Export Sows (+500lbs) \$50.25 cwt	
B of C Ex. Rate (Noon) \$1.0201CAD / \$0.9803US	
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 steady this morning. Cash markets are showing no discernable trend this week with packer bids seeing both gains and losses in the first half of the week. Wholesale pork prices have provided little incentive for packers to expand their slaughter schedules, as the cuts destined for processing have been weak, but offset by stronger demand for cuts typically used for grilling. Yesterday's USDA Cold Storage Report showed good movement of pork over the last month as supplies of pork in storage were 23% lower than year ago levels, the lowest level seen since December of 2007. This is largely explained by a significant drop in hog production over the last year. However, improved export demand may also be contributing to the tight supplies when compared with May of 2009.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading lower this morning after weather forecasts for warm, dry weather in the Midwest were announced. With soil already saturated, sunny conditions are expected to attract sellers. Downside movement will be capped, however, by limited availability of old-crop inventories.

Canadian delivered corn prices opened lower this morning. Corn markets opened lower this morning as the outlook for the U.S. corn yield deteriorated, with nitrogen loss in flooded fields as the cause. Losses are expected to be limited, however, as farmers are unwilling to sell at lower prices. Continued dry conditions in China are also expected to provide support for corn prices.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		153.06	154.02	142.53	135.95	126.84	124.23	126.62	133.31	129.05
		153.06	154.98	146.84	143.62	134.51	131.63	132.83	135.22	132.87
(Maple Leaf Sig. #4)		150.82	150.45	142.65	134.99	125.89	124.19	126.50	131.68	129.59
		150.82	152.30	148.40	141.12	132.76	132.39	130.02	133.54	131.26
Estimated Hog Margin		24.31	24.39	18.09	15.24	9.52	9.65	10.55	14.90	14.22
Soymeal Delivered	361	361	363	366	346	342	342	334	333	333
Corn Delivered	150	152	154	156	158					



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

