

Hog Margin Outlook

Meeting Your Marketing Needs

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www.mpmc.mb.ca & www.spimg.ca

Friday, June 25, 2010

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

US Slaughter	
399,000 – Thursday's	
412,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$77.51
Western Corn Belt	\$77.59
Daily National Price	\$80.60
Daily Sig3(M.Leaf)	\$148.37
Daily Sig4(M.Leaf)	\$149.25
4-Month Fwd Avg	\$143.43
#1 Export Sows (+500lbs) \$50.25 cwt	
B of C Ex. Rate (Noon) \$1.0432CAD / \$.9586US	
Cash Prices: Week Ending June 25th, 2010	
66.41/146.41 Signature #3	
66.26/146.07 Signature #4	
65.35/144.08 MPMC Cash	
63.07/139.04 Springhill	

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Forward contract prices opened steady this morning. U.S. cash markets are finishing the week near steady, as packers have seen their operating margins stabilize due to firmer wholesale pork prices. Hog supplies continue to shrink, and this afternoon's release of the Hogs & Pigs Report will give the industry more certainty of this trend. Most of the major categories in the Report are expected to reflect a 3% drop from last year's levels. Lean hog futures are responding positively to recent news that Russia would lift a month long ban on U.S. poultry products. The return of poultry exports to Russia is important in order for the market to clear the growing supply of dark chicken meat in the U.S. The increased poultry meat inventory has been threatening pork prices by being a cheaper substitute available to U.S. consumers.

Canadian delivered soymeal prices opened higher this morning. The soybean complex continued upward this morning on support from tight old-crop cash supplies and strong domestic demand. Upside potential may be limited, however, as less threatening weather in the U.S has enticed traders to buy back some of their short positions.

Canadian delivered corn prices opened steady this morning. Corn markets opened steady this morning as improved growing conditions in China, which will decrease U.S. exports, compete with drier weather in the Midwest. Traders are looking ahead to Wednesday's USDA Report on quarterly stocks and planted acres for more accurate information on 2010 production.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		151.50	152.46	142.36	136.40	127.36	125.78	128.17	134.87	132.25
		151.50	154.74	146.65	143.21	134.97	132.12	134.39	136.78	136.08
(Maple Leaf Sig. #4)		149.29	149.85	142.47	135.40	126.37	125.69	128.01	133.20	132.70
		149.29	151.88	148.19	140.71	133.19	132.82	131.53	135.05	134.37
Estimated Hog Margin		24.31	24.39	18.09	15.24	9.52	9.65	10.55	14.90	14.22
Soymeal Delivered	368	368	370	372	343	341	341	331	332	332
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

