

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, June 29, 2010

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

Forward contract prices opened lower this morning. The combination of packers cutting back on next week's slaughter run due to U.S. Independence Day and producers trying to deliver hogs before the cutbacks are resulting in an ample hog supply for the modest production schedule. Wholesale pork prices have been holding steady, benefitting from brisk sales of grilling cuts ahead of the long weekend. Lean hog futures surprised analysts by dropping close to \$2.00 in the nearby contracts as the results of Friday's Report were bullish for the August timeframe. The Canadian Dollar moved higher as well, but was unable to maintain its strength as commodity and equity markets both experienced losses. Traders will focus their speculation on Canadian and U.S. employment reports that are due out on Friday.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading lower this morning as 93% of the crop has already emerged, which is equal to the 5-year average according to Monday's USDA Crop Report. The drop in prices came despite a decline in crop ratings (from 69% to 67%), as wet conditions continue to take their toll.

Canadian delivered corn prices opened lower this morning. Corn markets opened lower this morning in the face of a decrease in the overall rating. Corn in the good-to-excellent category moved from 75% to 73%, according to Monday's USDA Crop Report, but is still above the 10-year average. Dry weather has been forecasted for the next five days, which should aid development.

US Slaughter	
399,000	— Monday's
410,000	— Monday's (year ago)
US Iowa/Sthrn MN	\$77.03
Western Corn Belt	\$76.91
Daily National Price	\$80.68
Daily Sig3(M.Leaf)	\$145.73
Daily Sig4(M.Leaf)	\$148.03
4-Month Fwd Avg	\$139.74
#1 Export Sows (+500lbs)	\$47.50 cwt
B of C Ex. Rate (Noon)	
\$1.0337CAD / \$.9674US	
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

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.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)			149.47 152.42	139.88 144.22	134.47 140.93	125.30 133.02	123.94 130.12	126.35 132.63	133.11 135.04	131.43 135.30
(Maple Leaf Sig. #4)			146.98 149.65	140.13 145.92	133.58 138.53	124.42 131.33	123.95 130.96	126.28 129.84	131.52 133.39	131.95 133.63
Estimated Hog Margin			25.00	19.23	16.74	11.18	11.60	13.18	17.58	17.55
Soymeal Delivered	365	364	358	358	330	330	330	325	329	329
Corn Delivered	144	146	148	150	152					

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

