

# Hog Margin Outlook

Meeting Your Marketing Needs

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[www.mpmc.mb.ca](http://www.mpmc.mb.ca) & [www.spimg.ca](http://www.spimg.ca)

Wednesday, June 30, 2010

Hog Prices: ↓ Soymeal: ↑

Corn: ↑ Cdn Dollar: ↓

US Slaughter	
402,000 – Tuesday's	
418,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$76.28
Western Corn Belt	\$76.72
Daily National Price	\$80.62
Daily Sig3(M.Leaf)	\$148.07
Daily Sig4(M.Leaf)	\$150.67
4-Month Fwd Avg	\$142.36
#1 Export Sows (+500lbs) \$47.50 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0529CAD / \$0.9498US	
<b>Cash Prices: Week Ending June 25th, 2010</b>	
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.*

**Forward contract prices opened lower this morning.** U.S. cash markets are still eroding as packers are apparently having little difficulty in sourcing the live supplies required to meet their modest production schedule. Producers are current with their marketing, but the lack of interest from packers has essentially prevented the seasonal five pound drop in carcass weights over the last several weeks. Lean hog futures traders have been optimistic in seeing a firmer trend in cash markets as they expected relief from heavy chicken supplies. However, a Russian official was quoted as saying that it would be close to 2 months before poultry would be moving into that country. The Canadian Dollar fell sharply yesterday due to influence from lower equity and commodity markets. Adding further weakness this morning, a report on Canada's economic growth in April showed that retail sales stalled.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex opened higher this morning as limited supplies continue to take their toll, with the USDA estimating current stocks at 571 million bushels, lower than the average 592 million bushels. Spillover support from corn, combined with strength in crude oil futures are also contributing to the bullish movement.

**Canadian delivered corn prices opened higher this morning.** Corn markets are trading higher this morning after reports from the USDA indicate less corn acres were planted than originally estimated. March 31 projections were 88.8 million acres, which is now down to 87.87 million acres. In addition, with quarterly stocks lower than expected, limited supplies could push corn prices higher.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)			151.64 155.33	142.71 147.08	136.98 143.64	127.76 135.52	126.58 132.61	129.01 135.31	135.80 137.74	134.25 138.13
(Maple Leaf Sig. #4)			149.10 152.49	142.90 148.78	136.03 141.16	126.82 133.77	126.53 133.40	128.87 132.44	134.14 136.01	132.95 136.39
Estimated Hog Margin			25.00	19.23	16.74	11.18	11.60	13.18	17.58	17.55
Soymeal Delivered	383	382	372	373	337	335	335	330	342	342
Corn Delivered	154	156	158	160	162					



## 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

