

Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, July 02, 2010

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

Forward contract prices opened lower this morning. U.S. cash markets are finishing the week on a lower trend as today's reduced slaughter requirements were enough for packers to meet their needs. The U.S. Independence Day holiday lands on Sunday, but will further impact kill operations in most plants on Monday. Consumer demand for meat products ahead of the holiday weekend proved to be lackluster, but wholesale pork prices have found some support at current levels. Nearby lean hog futures are expected to remain steady today, but the spring and summer 2011 contracts may find support in response to higher corn and soybean meal prices. The Canadian Dollar is again trading under 94 cents U.S., as traders fear that low employment levels in the U.S. will negatively impact Canada's economy. Markets are closed on Monday due to the Independence Day Holiday.

Canadian delivered soybean prices opened higher this morning. Soybean meal markets continued their upward trend this morning as the deep southern regions of the U.S. continue to experience dryness. Upside potential is expected to be limited, however, by excellent growing conditions in the U.S. and expected stabilization for current soybean ratings.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning, giving back some of the gains caused by bullish supply estimates made by the USDA. While acreage projections have been lowered, they are still above 2009 levels. Nearly ideal crop conditions are expected in the Midwest for the coming week, with dry weather early on, followed by more moisture.

US Slaughter	
404,000 – Thursday's	
411,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$75.09
Western Corn Belt	\$75.71
Daily National Price	\$80.28
Daily Sig3(M.Leaf)	\$147.19
Daily Sig4(M.Leaf)	\$151.13
4-Month Fwd Avg	\$142.78
#1 Export Sows (+500lbs)	\$47.50 cwt
B of C Ex. Rate (Noon)	
\$1.0606CAD / \$.9429US	
Cash Prices: Week Ending July 2nd, 2010	
66.84/147.35 Signature #3	
67.86/149.60 Signature #4	
66.07/145.66 MPMC Cash	
63.59/140.20 Springhill	

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	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		151.97 155.38	142.71 147.10	137.96 143.81	128.69 136.49	127.04 133.57	129.47 135.81	136.30 138.25	134.29 138.19	137.75 139.21
(Maple Leaf Sig. #4)		149.43 152.54	142.91 148.77	136.99 141.34	127.74 134.72	126.98 134.35	129.34 132.93	134.63 136.52	132.92 136.46	135.56 143.68
Estimated Hog Margin		25.00	19.23	16.74	11.18	11.60	13.18	17.58		
Soymeal Delivered	375	371	367	334	333	333	332	333	333	344
Corn Delivered	160	162	164	166	170	172				

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

