

Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, July 06, 2010

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

US Slaughter	
1.972 Mill. – Last Week's	
1.889 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$75.59
Western Corn Belt	\$75.72
Daily National Price	\$80.08
Daily Sig3(M.Leaf)	\$147.96
Daily Sig4(M.Leaf)	\$151.52
4-Month Fwd Avg	\$137.87
#1 Export Sows (+500lbs)	\$48.00 cwt
B of C Ex. Rate (Noon)	\$1.0660CAD / \$0.9381US
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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Forward contract prices opened lower this morning. U.S. packers are starting this week with lower bids as yesterday's holiday is leaving packers with ample supplies for this week's slaughter. Packers are expected to maintain a relatively slow production line in the near future and will wait for an indication of stronger demand before chasing live supplies with higher bids. Lean hog futures are expected to see some weakness over this week's trade in the absence of a higher cash market. Nearby contracts are holding a small premium over the current cash market, but traders have increased pessimism in the cash market fundamentals. The Canadian Dollar is providing support to the ailing forward contract prices as it trades below 94 cents U.S. The loonie is being influenced by weaker commodity markets and growing concerns of another recession in the U.S. economy.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading higher this morning as strong gains in both corn and wheat attract buying in all grains. Tight availability of supplies is also contributing to the bullish movement, along with weakness in the U.S. Dollar. The addition of a risk premium due to weather uncertainty is also moving prices higher.

Canadian delivered corn prices opened higher this morning. Corn markets opened higher this morning as concerns regarding wheat supplies in both Canada and Europe inspired a rally in the wheat market. Weather forecasts for more rain along the Corn Belt for next week are seen as less influential than hot and dry weather in terms of sparking an increase in prices.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		149.26	138.78	134.43	125.28	126.55	128.99	135.84	133.25	136.89
		151.28	143.11	140.02	132.99	130.10	135.35	137.79	137.16	138.36
(Maple Leaf Sig. #4)		146.78	139.05	133.54	124.39	125.14	128.89	134.19	132.09	134.75
		148.55	144.82	137.65	131.30	130.93	132.48	136.08	135.48	142.90
Estimated Hog Margin		25.00	19.23	16.74	11.18	11.60	13.18	17.58		
Soymeal Delivered	383	379	374	339	338	338	339	340	340	348
Corn Delivered	160	162	164	166	170	172				



Rothsay Animal Vegetable Feed Fat

\$653/tonne ↑ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

