



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, July 07, 2010

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

US Slaughter	
412,000 – Tuesday's	
404,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$75.24
Western Corn Belt	\$75.15
Daily National Price	\$79.89
Daily Sig3(M.Leaf)	\$144.61
Daily Sig4(M.Leaf)	\$148.87
4-Month Fwd Avg	\$138.33
#1 Export Sows (+500lbs) \$48.00 cwt	
B of C Ex. Rate (Noon) \$1.0498CAD / \$.9526US	
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 planning for a large Saturday kill, but the elimination of Monday's production run has producers slightly behind on their deliveries. Before the holiday, carcass weights were showing no appreciable drop from the average weights seen in May and June, while typically weights decline by 3% - 4% at this time of year. Lean hog futures are trading in a narrow range with no big changes in cash market fundamentals and funds are showing little interest due to the lack of volatility. The Canadian Dollar is trading near 95 cents U.S. this morning after yesterday's better stock and commodity market performance. However, a growing number of analysts are suggesting that the loonie could lose another 5 cents in the last half of 2010, if Canada's economic growth continues to struggle.

Canadian delivered soymeal prices opened higher this morning. Soybean markets continued their upward trend this morning as crops rated as good to excellent are down to 66% from 67% according to yesterday's USDA Crop Report. Excess moisture in northern U.S. areas and hot dry weather to the south are enticing traders to add risk premium to prices.

Canadian delivered corn prices opened higher this morning. Corn markets are trading higher this morning despite continued predictions of a record corn yield in the U.S. Corn with a good to excellent rating moved downward from 73% to 71% according to Tuesday's USDA Crop Report, which contributed to the current bullish movement.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		149.57 152.08	139.54 143.88	134.67 140.52	125.50 133.22	125.45 130.33	127.87 134.18	134.66 136.60	132.58 136.46	135.84 137.29
(Maple Leaf Sig. #4)		147.08 149.33	139.80 145.59	133.08 138.13	124.61 131.53	125.36 131.16	127.77 131.34	133.03 134.91	131.21 134.78	133.70 135.20
Estimated Hog Margin		23.85	17.84	15.67	10.83	11.70	13.40	17.62	17.91	18.82
Soymeal Delivered	383	376	371	336	337	337	335	339	339	346
Corn Delivered	160	162	164	166	170	172				

CONGRATULATIONS
Millrock 93 Ltd.
Winner of the June 2010 Sow and Boar Lottery