



Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, July 12, 2010

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

US Slaughter	
1.716 Mill. – Last Week's	
1.950 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$75.57
Western Corn Belt	\$75.60
Daily National Price	\$78.79
Daily Sig3(M.Leaf)	\$143.12
Daily Sig4(M.Leaf)	\$144.44
4-Month Fwd Avg	\$136.18
#1 Export Sows (+500lbs)	\$48.00 cwt
B of C Ex. Rate (Noon)	\$1.0328CAD / \$0.9682US
Cash Prices: Week Ending July 9th, 2010	
66.62/146.86 Signature #3	
67.55/148.93 Signature #4	
65.83/145.13 MPMC Cash	
63.48/139.94 Springhill	

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Forward contract prices opened steady this morning. U.S. cash markets are called to open steady to higher to start the week as last week's kill of 1.716 million hogs has left inventory of pork products tight at the wholesale level. Average carcass weights have been maintained at 203lbs, as packers provided little incentive for producers to pull their production at lighter weights. Packer operating margins are profitable at close to \$16 per head, providing the rationale for packers to attempt an increase in their production level. Lean hog futures are expected to trade in a narrow range this week, but will react to the report on pork export sales for May to be released later this week. The Canadian Dollar is expected to maintain it's 3 cent gain from last week as traders respond to better than expected job growth and ideas that the Bank of Canada will raise interest rates at their next meeting.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading lower today as growing conditions in the U.S. continue to improve with warm and dry weather. Downside movement is expected to be limited, as uncertainty in terms of overall crop condition, and subsequent estimated yields are seen to provide support.

Canadian delivered corn prices opened lower this morning. Corn markets opened lower this morning as old-crop stock projections were raised on Friday, thereby removing support from corn prices. The lack of excessive heat in the Midwest is also contributing to the current downward movement as corn enters into a crucial development period.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		146.67	138.12	134.72	125.69	125.00	127.37	134.01	131.88	135.69
			147.62	142.40	139.29	133.30	130.44	133.53	135.90	147.59
(Maple Leaf Sig. #4)		143.32	138.35	133.78	124.75	124.90	127.20	132.34	130.47	133.52
			144.97	142.21	136.91	131.57	131.20	130.69	134.18	141.44
Estimated Hog Margin		23.85	17.84	15.67	10.83	11.70	13.40	17.62	17.91	18.82
Soymeal Delivered	391	382	377	345	344	344	342	344	344	353
Corn Delivered	162	164	166	168	170	172	174			



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

