

# Hog Margin Outlook

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Wednesday, July 14, 2010

**Hog Prices:** ↔ **Soymeal:** ↑

**Corn:** ↑ **Cdn Dollar:** ↑

US Slaughter	
393,000 – Tuesday's	
402,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$74.68
Western Corn Belt	\$74.97
Daily National Price	\$78.09
Daily Sig3(M.Leaf)	\$141.32
Daily Sig4(M.Leaf)	\$142.55
4-Month Fwd Avg	\$136.16
#1 Export Sows (+500lbs) \$48.00 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0284CAD / \$0.9724US	
<b>Cash Prices: Week Ending July 9th, 2010</b>	
66.62/146.86 Signature #3	
67.55/148.93 Signature #4	
65.83/145.13 MPMC Cash	
63.48/139.94 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 steady this morning.** U.S. packers are expected to maintain steady bids this morning, however, the cash market has come under some pressure in the past two days. Weaker product values have contributed to the lack of confidence that packers have shown with wholesale loins and hams dropping more than \$3.00/cwt U.S. yesterday. The Report on export sales of pork for May showed that exports were up 18% from year ago levels. However, recall that last May the U.S. had been banned from numerous countries due to the outbreak of H1N1. It is also important to note that pork prices have been running close to 50% higher than year ago levels, but the higher prices have had little impact on aggregate export demand. The Canadian Dollar is still trading near \$0.97 U.S. as traders speculate on another increase in the Bank of Canada's interest rate.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex opened higher today as traders are adding risk premium to prices while soybeans prepare to enter a critical pod-setting period. Tight old-crop supplies combined with 126.2 million bushels of soybean being crushed in June (above the average estimate of 125.8 million bushels) are also providing support.

**Canadian delivered corn prices opened higher this morning.** Corn markets are trading higher this morning despite excellent growing conditions in the Midwest as corn continues pollination. Warm but not hot weather is seen as being a bearish influence as yield predictions continue to be positive throughout the U.S.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		146.22	137.68	135.17	126.15	126.29	128.68	135.35	132.58	135.99
		147.16	141.95	138.87	133.74	130.89	134.87	137.25	136.40	147.91
(Maple Leaf Sig. #4)		142.88	137.92	133.93	125.19	125.93	128.48	133.65	131.16	133.81
		144.53	141.77	136.50	132.00	131.63	131.99	135.50	134.67	141.75
Estimated Hog Margin		21.03	16.30	14.46	9.96	10.76	12.44	16.79	16.20	20.64
Soymeal Delivered	378	380	383	342	342	342	336	342	342	340
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

