

Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, July 16, 2010

Hog Prices: ↔ **Soymeal:** ↓

Corn: ↔ **Cdn Dollar:** ↓

US Slaughter	
402,000 – Thursday's	
408,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$73.99
Western Corn Belt	\$74.34
Daily National Price	\$77.84
Daily Sig3(M.Leaf)	\$141.76
Daily Sig4(M.Leaf)	\$143.73
4-Month Fwd Avg	\$141.51
#1 Export Sows (+500lbs) \$48.00 cwt	
B of C Ex. Rate (Noon) \$1.0403CAD / \$0.9613US	
Cash Prices: Week Ending July 16th, 2010	
64.37/141.92 Signature #3	
65.12/143.56 Signature #4	
63.54/140.08 MPMC Cash	
61.33/135.20 Springhill	

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Forward contract prices opened steady this morning. U.S. cash markets are finishing the week with steady bids, resulting in a \$2.50/cwt drop in some U.S. markets over the last week. Typically the weeks following the Independence Day holiday result in steady gains due to tighter supplies and good domestic demand. However, this year's trade has not resembled that of normal seasonal trends from early April when we experienced an unexpected rally. Lean hog futures are maintaining a larger than average premium over the currently weak cash market, resulting in a good opportunity to hedge the August – October timeframe. Adding to the value of all forward contracts is a weaker Canadian Dollar, now trading under \$0.96 U.S. due in large part to concerns over the health of the U.S. economy.

Canadian delivered soymeal prices opened lower this morning. The soybean complex opened lower this morning, losing some ground after yesterday's six-month high. The decrease comes despite tight old-crop inventories as well as hot and dry weather forecasts, which were previously propelling forecasts upward.

Canadian delivered corn prices opened steady this morning. Corn markets are trading steady this morning as excessively hot weather currently forecasted for the Corn Belt is countered by a lack of farmer selling. A decline in wheat markets, after their sharp rally yesterday, is also putting pressure on prices.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		152.07	143.36	140.22	131.03	127.73	130.11	136.80	133.32	136.98
		153.03	147.72	144.44	138.77	135.87	136.32	138.71	137.14	148.95
(Maple Leaf Sig. #4)		148.57	143.51	139.16	129.98	127.57	129.88	135.06	131.88	134.78
		150.25	147.44	141.93	136.91	136.53	133.40	136.91	135.39	142.75
Estimated Hog Margin		21.03	16.30	14.46	9.96	10.76	12.44	16.79	16.20	20.64
Soymeal Delivered	386	388	392	356	351	351	350	353	353	349
Corn Delivered	168	170	172	174	176	178	180			



Rothsay Animal Vegetable Feed Fat

\$628/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

