

Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, July 19, 2010

Hog Prices: ↔ **Soymeal:** ↓

Corn: ↓ **Cdn Dollar:** ↓

US Slaughter	
2.002 Mill. — Last Week's	
1.961 Mill. — Last Week's (year ago)	
US Iowa/Sthrn MN	\$74.85
Western Corn Belt	\$74.64
Daily National Price	\$77.54
Daily Sig3(M.Leaf)	\$144.16
Daily Sig4(M.Leaf)	\$145.02
4-Month Fwd Avg	\$140.44
#1 Export Sows (+500lbs)	\$48.00 cwt
B of C Ex. Rate (Noon)	
\$1.0537CAD / \$.9490US	
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 prices are expected to find support this week as producers have experienced three consecutive weeks of declines and packers could be forced to pay higher money if they intend to maintain the slaughter at current levels. Last week's slaughter was estimated to be 2% higher than the same week last year, while expectations were for it to drop 3% - 4%, as was seen in previous weeks. Cash prices have been maintaining a 30% premium over last year, despite the relatively small drop in supply. Lean hog futures have an optimistic view of the cash market in the weeks ahead, resulting in good forward pricing opportunities for the fall. Producers can currently lock in a 4-month average price of \$140.44/ckg, near steady with the current cash market.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading lower this morning after rain was forecasted for much of the Midwest this week. While rain is mainly viewed as beneficial by traders, there are some areas such as Iowa and Northern Illinois that are still recovering from an excessively wet June.

Canadian delivered corn prices opened lower this morning. Corn markets opened lower this morning, losing ground from last week's high prices which were caused by fear of hot and dry weather stressing the corn during pollination. Current forecasts include showers throughout the week in the Corn Belt, which could push prices lower.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		152.52	143.82	139.67	130.47	128.98	131.41	138.20	134.84	138.38
		152.52	148.17	145.09	138.21	135.31	137.71	140.13	138.72	150.52
(Maple Leaf Sig. #4)		149.00	143.95	138.62	129.43	128.85	131.19	136.45	133.39	136.17
		149.00	147.88	142.56	136.37	136.00	134.76	138.33	136.96	144.25
Estimated Hog Margin		21.03	16.30	14.46	9.96	10.76	12.44	16.79	16.20	20.64
Soymeal Delivered	384	384	392	354	351	351	356	352	352	354
Corn Delivered	162	164	166	168	170	172	174			



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

