

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, July 20, 2010

Hog Prices: ↔ **Soymeal:** ↓

Corn: ↓ **Cdn Dollar:** ↓

US Slaughter	
379,000 – Monday's	
353,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$73.78
Western Corn Belt	\$74.13
Daily National Price	\$77.66
Daily Sig3(M.Leaf)	\$143.48
Daily Sig4(M.Leaf)	\$145.55
4-Month Fwd Avg	\$138.59
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$1.0559CAD / \$0.9471US	
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. Cash markets are called steady this morning even as yesterday's trade opened the week down close to \$1.00/cwt compared to Friday's trade. Packers have been hesitant to cut into their operating margins in an effort to expand their production schedule as it typically proves difficult to recapture those profits in the summer timeframe while supplies are tight. Wholesale pork markets found support yesterday as the higher valued cuts of loins, hams and bellies all made gains. Lean hog futures opened lower this morning, but still represent good value as producers can lock in prices for the next 4 months near equivalent to the current cash market price. The Canadian Dollar showed little response from the Bank of Canada's decision to increase its prime lending rate by 25 basis points to 0.75%.

Canadian delivered soymeal prices opened lower this morning. Soybean meal markets opened lower this morning on the announcement that 67% of soybeans were rated as good to excellent (up from 65%) according to Monday's USDA Crop Report. Also contributing to bearish movement are reports that 60% of the crop is in blooming stage, which is up from 40% last week.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning as a result of downward pressure from a strong U.S. Dollar combined with a decrease in crude oil prices. The drop came despite a slip (from 73% - 72%) in the percentage of corn rated as good to excellent, according to Monday's USDA Crop Report.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		150.84	142.12	137.80	128.60	127.25	129.67	136.46	133.32	136.93
		150.84	146.48	143.13	136.35	133.44	135.98	138.40	137.20	149.08
(Maple Leaf Sig. #4)		147.38	142.31	138.04	127.62	127.17	129.52	134.78	131.92	134.77
		147.38	146.25	140.67	134.57	134.19	133.09	136.66	135.49	142.86
Estimated Hog Margin		21.03	16.30	14.46	9.96	10.76	12.44	16.79	16.20	20.64
Soymeal Delivered	386	386	394	355	353	353	357	352	352	350
Corn Delivered	161	163	165	167	169	171	173			



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

