

Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, July 26, 2010

Hog Prices: ↔ **Soymeal:** ↓

Corn: ↓ **Cdn Dollar:** ↔

US Slaughter	
1.961 Mill. — Last Week's	
2.029 Mill. — Last Week's (year ago)	
US Iowa/Sthrn MN	\$77.52
Western Corn Belt	\$77.83
Daily National Price	\$79.02
Daily Sig3(M.Leaf)	\$147.98
Daily Sig4(M.Leaf)	\$145.49
4-Month Fwd Avg	\$136.17
#1 Export Sows (+500lbs)	\$50.50 cwt
B of C Ex. Rate (Noon)	
\$1.0373CAD / \$0.9640US	
Cash Prices: Week Ending July 23rd, 2010	
66.30/146.16 Signature #3	
65.53/144.47 Signature #4	
65.09/143.49 MPMC Cash	
63.00/138.89 Springhill	

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Forward contract prices opened steady this morning. U.S. cash markets are called to be steady after Friday's trade lost everything that was gained on Thursday. Packers slaughtered a relatively small weekly kill, estimated at 1.96 million hogs, close to 40,000 fewer than the same week last year (down about 3%). According to the last Hogs and Pigs Report, our market hog supply should tighten further to nearly 5% under last year's levels. Also contributing to the tight supplies are U.S. producers, who are reporting slower weight gains compared to last year, which helps explain why the August futures contract has maintained a large premium to the cash market. Fall futures are expected to trade firmer this morning with a positive influence from last week's Cattle on Feed Report.

Canadian delivered soymeal prices opened lower this morning. Soybean meal markets opened lower this morning as weather forecasts for the Midwest remain positive for developing crops. The absence of excessive heat as soybean pods set; combined with an increase in farmer selling, continue to push prices lower as a bearish trend begins.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning as a result of losses in both wheat and soybeans. The absence of threatening weather is also allowing corn to follow its normal seasonal trend of working lower in the second half of July. Corn silking is approximately 90% complete, up from 65% last week.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)			140.80 145.06	136.73 141.94	127.73 135.31	127.40 132.46	129.78 135.96	136.44 138.34	133.83 137.63	137.66 149.59
(Maple Leaf Sig. #4)			141.30 145.33	136.07 139.84	126.90 133.87	127.24 133.32	129.54 133.04	134.70 136.54	132.36 135.86	135.43 143.62
Estimated Hog Margin		23.60	18.89	16.37	11.27	11.84	13.24	17.53	16.71	20.92
Soymeal Delivered	368	368	376	347	339	339	347	348	348	348
Corn Delivered	155	157	159	161	163	165	163			



Rothsay Animal Vegetable Feed Fat

\$603/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

