

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, July 27, 2010

Hog Prices: ↑ Soymeal: ↑
Corn: ↑ Cdn Dollar: ↑

US Slaughter	
386,000 – Monday's	
419,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$79.48
Western Corn Belt	\$79.18
Daily National Price	\$79.71
Daily Sig3(M.Leaf)	\$149.67
Daily Sig4(M.Leaf)	\$145.90
4-Month Fwd Avg	\$135.98
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$1.0312CAD / \$.9697US	
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 higher this morning. U.S. cash markets are seeing significant volatility as some packers are attempting a large Saturday kill, forcing them to increase bids in an effort to secure these supplies. Driving this renewed packer demand is the stronger pork cut-out that has now recovered to within a few dollars of the peak seen in early May. Lean hog futures are also experiencing some support from the stronger cash market, but not enough to erase the losses seen yesterday. The Canadian Dollar has rallied to over 97 cents U.S., fueled by better performance in financial markets and crude oil approaching \$80/barrel. As well, the loonie is trading at its highest level in a month and is favoured amongst the world's currencies for Canada's growth potential.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading higher this morning despite reports that 75% of the U.S. crop is blooming, up from 60% last week and above the 72% average for this time of year. As well, according to the USDA Crop Report, 67% of soybeans are in good to excellent condition, which is unchanged from last week.

Canadian delivered corn prices opened higher this morning. Corn markets opened higher this morning on spillover support from a 1.5% increase in wheat overnight. According to the USDA Crop Report, 72% of corn is rated as good to excellent, which is unchanged from last week. A lack of threatening weather is expected to cap upside potential.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)			140.40 144.67	136.79 141.53	127.78 135.36	126.51 132.52	128.87 135.01	135.48 137.37	132.08 135.86	136.03 147.90
(Maple Leaf Sig. #4)			140.92 144.95	136.13 139.44	126.95 133.93	126.35 133.38	128.64 132.11	133.76 135.59	130.65 134.13	133.85 141.75
Estimated Hog Margin			17.71	15.63	10.98	12.11	14.06	18.27	17.69	21.54
Soymeal Delivered	367	367	375	339	341	341	337	338	338	348
Corn Delivered	154	156	158	160	162	164	162			



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

