

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit

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

Wednesday, July 28, 2010

Hog Prices: ↑ **Soymeal:** ↑

Corn: ↑ **Cdn Dollar:** ↓

US Slaughter	
378,000 – Tuesday's	
413,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$80.43
Western Corn Belt	\$79.91
Daily National Price	\$80.71
Daily Sig3(M.Leaf)	\$151.70
Daily Sig4(M.Leaf)	\$148.37
4-Month Fwd Avg	\$136.24
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$1.0357CAD / \$0.9655US	
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 continue to move higher this week with most regions breaking through the \$80.00/cwt benchmark. The underlying factor that is driving up prices is a tighter hog supply, which is keeping the wholesale market short of fresh pork inventory. In the last several years it has been increasingly common to see a significant rally in late July and early August. Lean hog futures have factored in a continuation of this trend, amounting to an additional \$3.00 rally in prices over the next two weeks. The Canadian Dollar is holding near \$0.97 U.S. as stronger energy and metal prices buoy our economy as half of Canada's exports are commodities.

Canadian delivered soymeal prices opened higher this morning. The soybean complex opened higher this morning on spillover support from rallying wheat prices. Production concerns for the wheat crop in Russia combined with tight supplies in Europe, are contributing to the bullish movement of all feed supplies.

Canadian delivered corn prices opened higher this morning. Corn markets are trading higher this morning as increased wheat prices provide support. Also contributing to higher prices are the USDA estimated corn yields made earlier this month, which were 163.5 bushels per acre- down from last year's 164.7 bushels per acre.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)			140.36	137.22	128.18	126.97	129.34	136.00	132.73	136.98
			144.64	141.59	135.79	132.93	135.52	137.90	136.53	148.93
(Maple Leaf Sig. #4)			140.89	136.56	127.35	126.82	129.12	134.27	131.29	134.77
			144.94	139.51	134.35	133.80	132.61	136.11	134.78	142.74
Estimated Hog Margin			17.71	15.63	10.98	12.11	14.06	18.27	17.69	21.54
Soymeal Delivered	373	373	380	344	345	345	338	345	345	348
Corn Delivered	158	160	162	164	166	168	166			



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

