

Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, July 29, 2010

Hog Prices: ↑ **Soymeal:** ↑

Corn: ↑ **Cdn Dollar:** ↔

US Slaughter	
400,000 – Wednesday's	
418,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$84.34
Western Corn Belt	\$83.60
Daily National Price	\$81.49
Daily Sig3(M.Leaf)	\$158.71
Daily Sig4(M.Leaf)	\$149.81
4-Month Fwd Avg	\$139.79
#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 jumped the most in a single day that we have seen in several months with the Iowa/Southern Minnesota region making a \$4.01/cwt increase over the previous day. Packers that have been showing great discipline in their cash bids are chasing hogs, forcing all packers to increase bids. The gains are not likely to stick with us as packers will pull back on their bids as soon as they have met their planned production requirements. The pork cut-out continues to provide some rationale for the gains with yesterday's trade rallying \$2.50/cwt. Lean hog futures are also seeing direct influence from the gains in the cash market, with the October and December contracts making or approaching new contract highs this morning.

Canadian delivered soymeal prices opened higher this morning. The soybean complex sustained its upward trend this morning as worldwide wheat supplies continue to be a concern. The addition of a weather related risk premium to soybean prices as the crop sets pods (a time of critical development) is also working to push prices higher.

Canadian delivered corn prices opened higher this morning. Corn markets opened higher this morning as wheat prices rally in the face of supply concerns in the Black Sea region. Because of the spike in wheat, corn is now the cheapest feed quality grain available. Damage from excess moisture in some regions of the U.S. are also driving prices upward.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)			144.81 149.08	140.15 145.99	131.13 138.73	129.92 135.88	132.31 138.52	139.00 140.91	135.71 139.54	139.06 151.01
(Maple Leaf Sig. #4)			145.19 149.23	139.40 143.76	130.20 137.19	129.70 136.64	132.01 135.53	137.20 139.05	134.20 137.71	136.79 144.75
Estimated Hog Margin			17.71	15.63	10.98	12.11	14.06	18.27	17.69	21.54
Soymeal Delivered	378	378	386	350	351	351	339	345	345	348
Corn Delivered	161	163	165	167	169	171	173			



Rothsay Animal Vegetable Feed Fat

\$578/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

