

Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, July 30, 2010

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

Forward contract prices opened higher this morning. U.S. cash markets are stumbling after the mid-week spike took prices close to U.S.\$85.00/cwt, however, week over week gains are still expected. Driving this volatility in cash bids is the strength of the wholesale market, of which all of the primal cuts have contributed. The pork cut-out has rallied by 5% over the week, and is \$1.00/cwt shy of the peak in May, fuelled by tighter inventory and strong demand for all meat products. Lean hog futures have also benefitted from the firming pork prices as traders grow more optimistic about fall cash prices. The Canadian Dollar continues to be an offsetting factor in our prices as the loonie is holding up close to \$0.97 with support coming from commodity prices and confirmation of positive economic growth according to a Statscan Report.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading higher this morning as reduced output of wheat from the Black Sea region is causing all grain prices to increase. Concerns regarding oilseed production in both Canada and China are also contributing to the current bullish movement.

Canadian delivered corn prices opened higher this morning. Corn markets are trading higher this morning as corn continues to follow wheat's rally. Gains are expected to be capped, as warm and wet weather along the Corn Belt is proving to be beneficial for the development of corn. Yield projections are optimistic for most regions in the U.S.

US Slaughter	
401,000	– Thursday's
416,000	– Thursday's (year ago)
US Iowa/Sthrn MN	\$81.57
Western Corn Belt	\$81.51
Daily National Price	\$82.57
Daily Sig3(M.Leaf)	\$154.94
Daily Sig4(M.Leaf)	\$151.98
4-Month Fwd Avg	\$139.50
#1 Export Sows (+500lbs)	\$50.50 cwt
B of C Ex. Rate (Noon)	
\$1.0370CAD / \$.9643US	
Cash Prices: Week Ending July 30th, 2010	
69.22/152.60	Signature #3
67.27/148.31	Signature #4
67.71/149.28	MPMC Cash
65.95/145.40	Springhill

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)			144.40 148.65	139.87 145.69	130.87 138.45	129.89 135.61	132.27 138.47	138.95 140.86	135.33 139.14	138.98 150.94
(Maple Leaf Sig. #4)			144.77 148.80	139.12 143.47	129.94 136.91	129.66 136.36	131.97 135.48	137.14 138.99	133.82 137.33	136.72 144.68
Estimated Hog Margin			17.71	15.63	10.98	12.11	14.06	18.27	17.69	21.54
Soymeal Delivered	385	385	393	353	354	354	351	352	352	351
Corn Delivered	162	164	166	168	170	172	170			

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

