

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, August 03, 2010

Hog Prices: ↑ Soymeal: ↓

Corn: ↓ Cdn Dollar: ↑

US Slaughter	
343,000 — Monday's	
320,000 — Monday's (year ago)	
US Iowa/Sthrn MN	\$82.87
Western Corn Belt	\$82.40
Daily National Price	\$83.40
Daily Sig3(M.Leaf)	\$155.42
Daily Sig4(M.Leaf)	\$152.33
4-Month Fwd Avg	\$138.21
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$1.0290CAD / \$0.9718US	
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	

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Forward contract prices opened higher this morning. U.S. cash markets started the week higher in yesterday's trade and packers are expected to maintain their bids while the carcass cut-out holds. While the live hog supply was running near the same as USDA forecasts, last week's slaughter was 7.3% lower than last year at this time. However, carcass weights are still over 2 pounds higher than last year while most analysts expected weights to be lighter. Pork demand remains strong with pork bellies climbing to record high levels. Lean hog futures have benefitted directly from the higher cash market with the October contract trading just shy of \$80.00/cwt. The Canadian Dollar strengthened yesterday while Canadian markets were closed, approaching \$0.98 U.S.

Canadian delivered soymeal prices opened lower this morning. The soybean complex opened lower this morning as favorable crop conditions push prices downward. According to Monday's USDA Crop Report, 66% of soybeans are rated as good to excellent, which is down one percent from last week. The rating is up from the 10-year average of 60% (as of August 1).

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning as a result of a decline in wheat prices and an increase in farmer selling. These losses came despite a drop in corn rated good to excellent (from 72% down to 71%), according to Monday's USDA Crop Report. Last year's corn rating was 68 % at this time.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		145.00	139.29	130.33	129.18	131.54	138.15	134.38	137.55	
		147.62	146.21	137.87	135.04	137.68	140.04	138.15	149.35	
(Maple Leaf Sig. #4)		145.33	138.53	129.40	128.94	131.22	136.34	132.87	135.30	
		146.52	143.96	136.34	135.79	134.70	138.17	136.34	143.16	
Estimated Hog Margin		17.71	15.63	10.98	12.11	14.06	18.27	17.69	21.54	
Soymeal Delivered	377	385	349	344	344	351	347	347	348	348
Corn Delivered	161	163	165	167	169	171	169			



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

