



# Hog Margin Outlook

Meeting Your Marketing Needs

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[www.mpmc.mb.ca](http://www.mpmc.mb.ca) & [www.spimg.ca](http://www.spimg.ca)

Thursday, August 05, 2010

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

<b>US Slaughter</b>	
401,000 – Wednesday's	
423,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$83.10
Western Corn Belt	\$82.74
Daily National Price	\$84.51
Daily Sig3(M.Leaf)	\$154.47
Daily Sig4(M.Leaf)	\$152.78
4-Month Fwd Avg	\$135.71
#1 Export Sows (+500lbs) \$55.00 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0185CAD / \$.9818US	
<b>Cash Prices: Week Ending July 30th, 2010</b>	
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.*

**Forward contract prices opened higher this morning.** U.S. cash markets appear to have found a top to this week's trade, however, it is still possible to see further gains next week if retail demand holds. Nevertheless, hog supplies are starting to grow from their tightest levels seen a few weeks ago, with daily slaughter routinely exceeding 400,000 hogs. The pork cut-out declined marginally but is still well supported at over \$90/cwt, largely due to the record high price for pork bellies. The Canadian Dollar continues its slow and steady climb, trading over \$0.98 U.S. with higher commodity prices being the largest contributor.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex opened higher this morning as a result of the Russian government banning grain exports for the rest of the year, effective on August 15. The announcement caused an immediate increase in world wheat prices, which in turn is providing support for soybeans.

**Canadian delivered corn prices opened higher this morning.** Corn markets are trading higher this morning on spillover support from soaring wheat prices. With an 8.3% increase in wheat after the Russian government banned grain exports, corn prices are expected to remain bullish. This is because the U.S. no longer needs to compete with Russia for export business.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		140.93	137.45	128.61	128.24	130.57	137.11	133.24	136.79	
		143.50	142.10	136.05	133.26	136.64	138.98	136.98	148.48	
(Maple Leaf Sig. #4)		141.33	136.71	127.69	127.98	130.24	135.30	131.74	134.55	
		142.47	139.95	134.54	134.00	133.68	137.11	135.18	142.34	
Estimated Hog Margin		20.03	16.36	12.27	13.18	15.01	19.19	18.02	22.11	
Soymeal Delivered	386	394	360	358	358	349	354	354	353	353
Corn Delivered	170	172	174	176	178	180	178			

**CONGRATULATIONS**  
**Woodland; Colony Farms**  
*Winner of the July 2010 Sow and Boar Lottery*