

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, August 10, 2010

Hog Prices: ↑ **Soymeal:** ↓

Corn: ↓ **Cdn Dollar:** ↓

US Slaughter	
404,000 – Monday's	
422,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$79.27
Western Corn Belt	\$79.26
Daily National Price	\$84.08
Daily Sig3(M.Leaf)	\$149.15
Daily Sig4(M.Leaf)	\$153.21
4-Month Fwd Avg	\$131.89
#1 Export Sows (+500lbs) \$53.00 cwt	
B of C Ex. Rate (Noon) \$1.0266CAD / \$0.9741US	
Cash Prices: Week Ending August 6th, 2010	
69.95/154.22 Signature #3	
69.02/152.17 Signature #4	
68.70/151.46 MPMC Cash	
67.15/148.03 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 are expected to trade higher this morning with improved wholesale pork prices providing the rationale that packers required. Hog supplies are sufficient for current packer demand, as packers are hesitant to expand their kill too quickly, ahead of the normal seasonal surge. Meat markets will be supported in the weeks ahead by the extra demand associated to the Labour Day long weekend, which typically caps off the summer grilling demand. Lean hog futures have tumbled from the highs last week, with charts indicating that they may be oversold. The Canadian Dollar is providing a boost to forward contract prices this morning as it is down close to a cent from yesterday's close. Traders are speculating that an announcement by the U.S. Federal Reserve this afternoon will reflect concern for a slowing economy.

Canadian delivered soymeal prices opened lower this morning.

The soybean complex opened lower this morning as the U.S. Dollar increased in strength overnight. Also contributing to the bearish movement is a good to excellent rating of 66% for the U.S. soybean crop, which has held steady from last week, according to the USDA Crop Report.

Canadian delivered corn prices opened lower this morning.

Corn markets are trading lower this morning as a result of newfound strength in the U.S. Dollar. Solid crop conditions are also putting pressure on prices with 71% of corn rated as good to excellent, according to the USDA Crop Report. This rating has held steady from the previous week despite continued wet conditions in the Corn Belt.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		138.89 139.84	134.75 138.41	125.69 133.32	125.10 130.46	127.48 135.12	135.60 137.51	132.60 136.42	135.94 147.87	147.34 149.25
(Maple Leaf Sig. #4)		137.84 139.02	133.72 136.43	124.95 131.96	125.48 131.41	127.79 132.23	133.90 135.19	131.18 134.69	133.77 141.72	143.42 144.71
Estimated Hog Margin		20.03	16.36	12.27	13.18	15.01	19.19	18.02	22.11	
Soymeal Delivered	375	379	350	351	351	350	355	355	354	354
Corn Delivered	166	168	170	172	174	176	174			



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

