

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit

www.mpmc.mb.ca & www.spimg.ca

Wednesday, January 20, 2010

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

US Slaughter	
429,000—Tuesday's	
410,000—Tuesday's (Year Ago)	
US Iowa/Sthrn MN	\$66.33
Western Corn Belt	\$66.50
Daily National Price	\$69.08
Daily Sig3(M.Leaf)	\$125.89
Daily Sig4(M.Leaf)	\$126.63
4-Month Fwd Avg	\$135.93
#1 Export Sows (+500lbs) \$32.55/cwt	
B of C Ex. Rate (Noon) \$1.0328 CAD / \$.9682 US	
Cash Price (\$/cwt/kg) Cash prices for week ending January 15th, 2010	
55.77 / 122.96 Signature #3	
56.32 / 124.17 Signature #4	
54.05 / 119.16 MPMC Cash	
52.00 / 114.65 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 mixed this morning. US cash markets are trading steady this morning but are poised to finish the week higher as estimated operating margins are running at over \$18/hog, the best in months. Pork continues to out-compete poultry and beef in the domestic retail market as value conscious consumers are finding great value in all of the fresh pork cuts. Export markets are also performing better than expected, with the USDA increasing their forecasted export sales in the last WASDE Report. These positive demand fundamentals are also contributing to the higher trend in Lean Hog futures, while fund buying is the predominant force in recent days. The Canadian Dollar has seen some weakness recently, but saw little reaction from yesterday's Bank of Canada policy statement.

Canadian delivered soymeal prices opened higher this morning. A sharply higher US Dollar helped soy continue its losses overnight. The overall tone for soymeal remains bearish with South America's impending harvest, steady fund selling and the possibility of a strong US Dollar hampering export sales weighing heavily. The Canadian Dollar is tempering recent losses for soymeal, raising the cash price from Tuesday.

Canadian delivered corn prices opened higher this morning. Statistics Canada reported that inflation rates rose in December, but still came in below expectations—which along with weakened crude oil prices helped the Loonie drop more than 1 cent from yesterday's close. Marginal losses for corn yesterday carried over into the overnight session, though these are cancelled out by decreased purchasing power.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		129.21	125.89 - 129.21	130.61 - 136.57	141.29 - 145.54	143.17 - 148.38	143.08 - 144.03	138.16 - 142.13	129.17 - 131.68
Estimated Hog Margin	3.43	5.31	7.09	11.54	18.38	19.80	17.62	15.42	10.17
Soymeal Delivered	376	368	366	352	352	351	351	348	344
Corn Delivered	155	157	159	161	163	165	167	169	171



Rothsay Animal Vegetable Feed Fat

\$528/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

