

Hog Margin Outlook

Meeting Your Marketing Needs

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



Tuesday, February 02, 2010

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

US Slaughter	
412,000-Monday's	
419,000-Monday's (year ago)	
US Iowa/Sthrn MN	\$62.35
Western Corn Belt	\$62.52
Daily National Price	\$66.45
Daily Sig3(M.Leaf)	\$122.08
Daily Sig4(M.Leaf)	\$128.92
4-Month Fwd Avg	\$129.18
#1 Export Sows (+500lbs) \$37.90/cwt	
B of C Ex. Rate (Noon)	
\$1.0653 CAD / \$0.9387 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending January 29th, 2010	
57.47 / 126.69	Signature #3
59.83 / 131.90	Signature #4
56.75 / 125.11	MPMC Cash
54.14 / 119.35	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 lower this morning. US cash markets are trading lower this morning, as packers are disinterested in chasing hogs to fill their kill schedule. Cash bids are unlikely to improve before the end of the week as there is evidence that producers delayed shipments last week in an attempt to avoid the lower prices. The combination of weaker operating margins and a backing of live supplies could prevent any cash price recovery. Lean Hog futures dropped more than \$2.00/cwt in the nearby months as cash market weakness combined with decisively bearish technical indicators. The Canadian Dollar rallied back from recent lows based on influence from commodity and stock markets, but some analysts suggest that it could move lower in anticipation of the employment reports to be released on Friday.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is seeing increased influence from the South American crop and lower export sales. Both of these factors have been a bearish influence to soybean meal markets as there is expected to be record large yields in South America, shifting the focus of international buyers away from the US

Canadian delivered corn prices opened higher this morning. Corn markets were supported yesterday and overnight by a recovery in crude oil prices, but the longer term trend remains bearish. Corn markets fell by nearly 20% over the month of January as the huge crop and slower export sales have had traders steadily revise their ending stocks estimates higher.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		114.53	119.41	133.73	137.15	137.18	133.76	122.55	118.73
		-	-	-	-	-	-	-	-
		117.69	128.86	138.12	141.08	138.35	136.40	125.07	123.60
Estimated Hog Margin	7.57	5.11	9.83	17.32	19.78	18.48	15.95	9.09	6.39
Soymeal Delivered	360/357	354	345	345	345	345	340	338	336
Corn Delivered	156	158	160	162	164	166	168	170	172



Rothsay Animal Vegetable Feed Fat

\$518/tonne ↓ (2 – 19 mt)

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

