



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

Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, February 05, 2010

Forward contract prices opened mixed this morning. This week, US cash markets have been unpredictable and erratic with packers pulling back on bids early in the week and then attempting to match gains or losses in the pork cut-out. Some packers are short for their planned slaughter tomorrow, and could add support in today's trade. Lean Hog futures are also seeing higher volatility, with traders finding it difficult to apply fundamental rationale for the recent price movements. There has been increased influence from large speculators that contributed to the declines over the last two weeks. The Canadian Dollar is reacting positively to this morning's release of the Statistics Canada Employment Report, showing that Canada added 43,000 new jobs in January.

Canadian delivered soymeal prices opened higher this morning. Soybean meal markets are expected to see gains in response to the positive US Employment Report that was released earlier this morning. The Report showed a drop in the country wide unemployment rate from 10% to 9.7%, a move that analysts suggest is "psychologically supportive" to both stock and commodity markets. Exports continue to run well under expectations for the last several weeks, a factor that will limit gains in this market.

Canadian delivered corn prices opened lower this morning. Corn markets are still decisively in a bearish trend as large supplies in both the US and around the world prevent any significant rallies. The drop in US unemployment is a bullish factor in the market as it serves as an indicator for economic recovery. Corn prices are expected to continue to be soft, suggesting that producers should go hand-to-mouth with their purchases.

US Slaughter	
423,000-Thursdays	
431,000-Thursdays (year ago)	
US Iowa/Sthrn MN	\$63.30
Western Corn Belt	\$63.99
Daily National Price	\$66.34
Daily Sig3(M.Leaf)	\$125.90
Daily Sig4(M.Leaf)	\$126.40
4-Month Fwd Avg	\$131.40
#1 Export Sows (+500lbs) \$37.90/cwt	
B of C Ex. Rate (Noon) \$1.0734CAD / \$0.9316 US	
Cash Price (\$/cwt/ckg) Cash prices for week ending February 5th, 2010	
56.11 / 123.71 Signature #3	
57.82 / 127.46 Signature #4	
55.34 / 122.00 MPMC Cash	
52.88 / 116.58 Springhill	

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	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		117.21	122.12	136.56	140.00	139.54	136.10	124.80	120.95
		-	-	-	-	-	-	-	-
		120.63	131.65	140.99	143.93	140.52	138.56	127.34	125.86
Estimated Hog Margin	7.57	5.11	9.83	17.32	19.78	18.48	15.95	9.09	6.39
Soymeal Delivered	363/359	357	346	346	344	344	343	341	338
Corn Delivered	153	155	157	159	161	163	165	167	169

Rothsay Animal Vegetable Feed Fat

\$518/tonne ↓ (2 – 19 mt)

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