



Hog Margin Outlook

Meeting Your Marketing Needs

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



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

US Slaughter	
422,000—Monday's	
423,000—Monday's (year ago)	
US Iowa/Sthrn MN	\$64.46
Western Corn Belt	\$64.90
Daily National Price	\$66.46
Daily Sig3(M.Leaf)	\$127.19
Daily Sig4(M.Leaf)	\$126.13
4-Month Fwd Avg	\$138.16
#1 Export Sows (+500lbs) \$44.50/cwt	
B of C Ex. Rate (Noon) \$1.0692CAD / \$0.9353 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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Tuesday, February 09, 2010

Forward contract prices opened higher this morning.

Cash bids were higher to start the week but packers have little in their operating margins to increase their bids later this week if the cut-out does not appreciate in value. Hog supplies have been running tighter than packers had expected, with year-to-date hog slaughter close to more than 6% lower than last year. Lean Hog futures surged more than US\$2.00/cwt yesterday with traders thinking last week's losses were overdone. The cash market also reassured traders that packers are still expecting a bullish cash market in the near term. The Canadian Dollar is trading slightly higher than 93 cents US, near the lowest level seen in 3 months. The Canadian Dollar is seeing influence from weaker stock and commodity markets, and slightly more optimism about the US economy.

Canadian delivered soymeal prices opened higher this morning.

The WASDE Report showed a 35 million bu decrease in US ending stocks, mostly due to a jump in exports. World ending stocks are down only 0.07 million MT, with increased foreign production largely offsetting the US decrease. These results are relatively in line with expectations and shouldn't result in major movement in soy futures today.

Canadian delivered corn prices opened steady this morning.

US ending stocks decreased by 1.15 million MT, with a 50 million bu decrease in exports eclipsed by a 100 million bu bump in ethanol usage. This decrease in ending stocks is twice the amount forecasted, which should create a bullish tone for corn futures. World ending stocks dropped 2.15 million MT, with foreign supply down 1 million MT.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		121.71	126.63	141.55	144.99	144.13	140.20	129.97	125.11
		-	-	-	-	-	-	-	-
		123.19	136.63	145.97	150.04	146.10	142.76	132.50	131.02
Estimated Hog Margin	7.57	5.11	9.83	17.32	19.78	18.48	15.95	9.09	6.39
Soymeal Delivered	362/359	359	350	350	347	347	352	352	338
Corn Delivered	153	155	157	159	161	163	165	167	169

h@ms Producer Meetings

- Swift Current—Feb 16th @ The Days Inn (noon)
- Saskatoon—Feb 17th @ The Travelodge (noon)

Lunch will be served at both meetings.