



# Hog Margin Outlook

Meeting Your Marketing Needs

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

| US Slaughter                                   |              |
|--|--------------|
| 408,000—Wednesday's                            |              |
| 410,000—Wednesday's (year ago)                 |              |
| US Iowa/Sthrn MN                               | \$64.89      |
| Western Corn Belt                              | \$65.45      |
| Daily National Price                           | \$67.02      |
| Daily Sig3(M.Leaf)                             | \$128.02     |
| Daily Sig4(M.Leaf)                             | \$126.94     |
| 4-Month Fwd Avg                                | \$134.47     |
| #1 Export Sows (+500lbs)                       | \$44.50/cwt  |
| <b>B of C Ex. Rate (Noon)</b>                  |              |
| \$1.0671 CAD / \$.9371 US                      |              |
| <b>Cash Price (\$/cwt/kg)</b>                  |              |
| 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   |

*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.*

Thursday, February 11, 2010

**Forward contract prices opened lower this morning.** Cash hog bids have alternated between higher and lower everyday for the past week. Packers are finding it difficult to source the live supplies required to meet their production schedules, but do not want to force their margins into the red by bidding the market higher. Wholesale pork prices are not seeing the same gains in hams, bellies and loins that they were in mid-January, but they are not seeing steady weakness either. Lean Hog futures are also in a holding pattern as traders are split on the fundamental factors impacting the coming months and therefore are heavily influenced by the cash market. The Canadian Dollar has been range bound around \$0.94US over the last two weeks, with the currency seeing influence from commodity and stock markets.

**Canadian delivered soymeal prices opened higher this morning.** The soy complex continued yesterday's late rally into the overnight session, which was supported by brisk fund buying. Soy may see some resistance to a rally if this week's USDA Export Sales Report continues last week's bearish tone—though the report has been delayed due to stormy weather in the Eastern US.

**Canadian delivered corn prices opened higher this morning.** Corn closed higher yesterday and overnight, receiving support from crude oil pricing, outside markets and relatively light farmer selling. Producers are reminded that Monday is a holiday in both the US and Canada, and if a feed delivery is required for early next week it is advisable to arrange delivery as soon as possible to avoid delays.

|  | Feb  | Mar    | Apr    | May    | Jun    | Jul    | Aug    | Sep    | Oct    |
|--|------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fixed Forward Range (Maple Leaf Sig. #3) |      | 117.73 | 122.60 | 137.97 | 141.37 | 142.65 | 138.80 | 129.03 | 123.94 |
|  |      | -      | -      | -      | -      | -      | -      | -      | -      |
|  |      | 119.19 | 133.10 | 142.35 | 146.55 | 143.18 | 141.68 | 131.53 | 130.07 |
| Estimated Hog Margin                     | 7.57 | 5.11   | 9.83   | 17.32  | 19.78  | 18.48  | 15.95  | 9.09   | 6.39   |
| Soymeal Delivered                        | 366  | 362    | 350    | 350    | 345    | 345    | 345    | 341    | 335    |
| Corn Delivered                           | 155  | 157    | 159    | 161    | 163    | 165    | 167    | 169    | 171    |



## Rothsay Animal Vegetable Feed Fat

\$518/tonne ↑ (2 – 19 mt)

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

\*Price quoted is FOB Southeast Manitoba

