



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	
417,000—Thursday's	
429,000—Thursday's (year ago)	
US Iowa/Sthrn MN	\$63.97
Western Corn Belt	\$64.59
Daily National Price	\$67.37
Daily Sig3(M.Leaf)	\$124.59
Daily Sig4(M.Leaf)	\$125.84
4-Month Fwd Avg	\$132.96
#1 Export Sows (+500lbs)	\$44.50/cwt
B of C Ex. Rate (Noon)	
\$1.0523 CAD / \$0.9503 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending February 12th, 2010	
57.67 / 127.13 Signature #3	
57.28 / 126.28 Signature #4	
56.37 / 124.28 MPMC Cash	
54.20 / 119.48 Springhill	

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Friday, February 12, 2010

Forward contract prices opened lower this morning.

US cash markets are finishing the week lower after a period of high volatility due to the conflicting fundamentals of lower

wholesale pork prices and tighter hog supplies. This week's slaughter is expected to be about 4% smaller than year ago levels, a surprise to most industry participants. Pork prices leveled off this week after a drop of more than \$10/cwt in previous weeks. Lean hog futures are starting the trading session relatively flat, with speculators hesitant to pick it a position given the uncertainty in market fundamentals. The Canadian Dollar is taking back some of the gains seen in yesterday's market, after our currency responded positively to news of a deal to bail out Greece from their debt problems. *We will be closed on Monday, February 15th due to holidays in both the US and Canada.*

Canadian delivered soymeal prices opened lower this morning.

After closing moderately higher, the soy complex went on to trade sharply lower in the overnight session. USDA's Export Sales Report showed a 18% drop from the previous week and a 54% decrease for the 4-week average. The 9-month average for delivered soymeal is now sitting at roughly \$344/MT, down \$5/MT from Monday.

Canadian delivered corn prices opened lower this morning.

Corn's gains from yesterday were erased in the overnight session. Export sales are below traders expectations—down 20% from last week, with the 4-week average down 21%. Crude oil is adding to the bearish pressure, dropping as low as \$73.09 US a barrel this morning.

Weekly Comparison

WCB Cash (cwt)	+ \$0.60
ISM Cash (cwt)	+ \$0.67
Forward Prices (ckg)	+ \$0-1
\$CDN Dollar (Per US\$)	+ 0.0187

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		117.19	121.04	136.57	139.94	140.89	137.62	127.61	123.84
		-	-	-	-	-	-	-	-
		117.67	131.76	140.90	144.74	141.95	140.12	130.10	128.65
Estimated Hog Margin	5.91	2.86	9.40	18.05	20.53	19.58	17.86	11.68	8.97
Soymeal Delivered	328	356	347	347	345	345	346	341	335
Corn Delivered	152	154	156	158	160	162	164	166	171

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.