



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: ↑

Wednesday, February 17, 2010

Forward contract prices opened lower this morning. US cash markets appear to be turning the corner on the lower trend with most regions seeing steady to slightly higher bids. The carcass cut-out showed a modest improvement, but no specific primal cut is showing significant strength at present. Hams could start to see greater support in the coming weeks as processors start to increase inventory ahead of Easter in early-April. Lean Hog futures are trading mostly higher with positive influence coming from outside markets. The Canadian Dollar is seeing some moderation from yesterday's spike over US \$0.96, however, the trend still appears to be bullish in the near term. March-April forward contract prices are trading well under the current cash market, providing little rationale for protection in this timeframe.

Canadian delivered soymeal prices opened higher this morning. Soybeans rallied sharply yesterday, with support coming from fund buying, relatively positive outside markets and a lower US Dollar. Harvest pressure from South America will increasingly weigh heavily on US markets in the upcoming weeks, as traders anticipate the seasonal shift in export demand from US to South American soybeans.

Canadian delivered corn prices opened higher this morning. The March contract for corn futures pushed above 368 yesterday, with corn receiving bullish support from crude oil and rallying grains. The Canadian Dollar is sitting relatively unchanged from yesterday's open. Cash corn is sitting roughly \$7/MT higher than one week ago.

US Slaughter	
428,000—Tuesday's	
430,000—Tuesday's (year ago)	
US Iowa/Sthrn MN	\$63.53
Western Corn Belt	\$64.04
Daily National Price	\$67.61
Daily Sig3(M.Leaf)	\$122.42
Daily Sig4(M.Leaf)	\$125.12
4-Month Fwd Avg	\$136.28
#1 Export Sows (+500lbs)	\$46.00/cwt
B of C Ex. Rate (Noon)	\$1.0426 CAD / \$0.9591 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

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.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		117.27	122.05	138.87	142.21	142.73	138.42	127.40	122.60
		-	-	-	-	-	-	-	-
		118.22	134.09	143.17	146.85	143.21	141.29	129.88	128.44
Estimated Hog Margin	5.91	2.86	9.40	18.05	20.53	19.58	17.86	11.68	8.97
Soymeal Delivered	366	364	353	353	348	348	349	344	338
Corn Delivered	158	160	162	164	166	168	170	172	174



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

