



# Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, February 19, 2010

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

<b>US Slaughter</b>	
424,000—Thursday's	
432,000—Thursday's (year ago)	
US Iowa/Sthrn MN	\$64.84
Western Corn Belt	\$64.87
Daily National Price	\$67.28
Daily Sig3(M.Leaf)	\$124.28
Daily Sig4(M.Leaf)	\$124.81
4-Month Fwd Avg	\$138.65
#1 Export Sows (+500lbs)	\$46.00/cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0452 CAD / \$0.9568 US	
<b>Cash Price (\$/cwt/kg)</b>	
Cash prices for week ending February 19th, 2010	
56.03 / 123.53	Signature #3
56.85 / 125.34	Signature #4
55.13 / 121.53	MPMC Cash
52.95 / 116.73	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.*

## Forward contract prices opened higher this morning.

US Lean Hog futures saw marginal gains yesterday, with Thursday's US estimated hog slaughter down by 8,000 from a year ago. Futures are likely to once again trade marginally higher today, with the bullish tone from slumping hog slaughter numbers tempered by end of the week profit-taking and the higher US Dollar. Weakness for the Canadian Dollar this week has helped bring summer month forward contract prices up roughly \$3 to 4/ckg from last Friday. A 9-month average for a Signature 3 flatted contract is currently sitting at \$133.60/ckg at open.

<b>Weekly Comparison</b>	
WCB Cash (cwt)	+ \$0.28
ISM Cash (cwt)	+ \$0.87
Forward Prices (ckg)	+ \$1-4
\$CDN Dollar (Per US\$)	+ 0.0065

**Canadian delivered soymeal prices opened lower this morning.** Soybeans carried yesterday's losses into the overnight, with help from a higher US Dollar. This morning's USDA Export Sales Report showed a new marketing-year low for soybeans—down 35% from last week and 65% from the previous 4-week average. The 9-month delivered soy-meal price is sitting at \$344/MT, steady from last week.

**Canadian delivered corn prices opened steady this morning.** Export sales for corn are up 31% from the previous week, with export capacity beginning to shift focus from soybeans to corn. The Loonie has seen some weakness overnight, dipping as low as \$0.9496. This drop is due to a reaction to yesterday's announcement from the US Federal Reserve of an increase of 0.25% to its discount rate.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		120.97	125.73	140.70	144.04	144.16	139.01	128.05	122.88
		-	-	-	-	-	-	-	-
		121.92	135.93	144.99	149.12	145.31	142.73	130.51	129.08
Estimated Hog Margin	6.05	4.43	11.00	19.44	21.88	20.76	18.44	11.82	8.98
Soymeal Delivered	357	357	346	346	344	344	344	340	336
Corn Delivered	150	152	154	156	158	160	162	164	166

- \*Interlake East District—Mar 2nd @ 1:30pm—Oak Hammock Marsh
- \*Southwest District—Mar 3rd @ 1:30pm—Somerset Community Hall
- \*Northwest District—Mar 3rd @ 7:00pm—Royal Canadian Legion (Neepawa)
- \*South Central District—Mar 4th @ 1:30pm—Morris Big M Centre
- \*Southeast District—Mar 5th @ Noon—Smitty's Restaurant (Steinbach)
- \*HB Marketing Hutterite District—Mar 10th @ 2pm—The Glesby Centre (Portage)
- \*Heartland Marketing Hutterite District—Mar 11th @ 1:30pm—Starbuck Community Hall

**MPMC's 2010 Annual  
District Meetings**