



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

# Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit  
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Monday, February 22, 2010

## Forward contract prices opened lower this morning.

Packers who went short on last week's slaughter schedule are motivated to bid the cash market higher this week, as wholesale pork prices improved on Friday. The pork cut-out jumped by \$1.50/cwt, providing a needed boost to packer margins in order for them to rationalize higher bids. Hog slaughter was about 2.5% smaller than year ago levels, but averaged closer to 4% lower year to date. Lean Hog futures are expected to see positive influence from a firming cash market but traders will remain cautious amid the uncertainty of both supply and demand. The Canadian Dollar has worked against Canadian hog prices as it hovers over US\$0.96, near the highest level in a month.

**Canadian delivered soymeal prices opened steady this morning.** Soybean futures traded marginally lower Friday, but a lower US Dollar and supportive outside markets helped it close higher overnight. The underlying tone for soybeans remains bearish, with harvest now underway in South America. Pressure on US soybeans is likely to increase once harvesting is widespread, as South America is expecting a bumper crop and has rather limited storage capacity.

**Canadian delivered corn prices opened higher this morning.** Corn carried its modest gains from Friday into the overnight session. Corn futures are seeing support from crude oil, that pushed above \$80/US a barrel overnight. The USDA released estimates from their Outlook Conference on Friday, forecasting that 2010/2011 US ending stocks will drop 65 million bushels from 2009/2010.

US Slaughter	
2.163 Mill—Last Week's	
2.215 Mill—Last Week's (year ago)	
US Iowa/Sthrn MN	\$66.59
Western Corn Belt	\$66.47
Daily National Price	\$67.48
Daily Sig3(M.Leaf)	\$126.96
Daily Sig4(M.Leaf)	\$124.82
4-Month Fwd Avg	\$139.47
#1 Export Sows (+500lbs)	\$46.00/cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0420 CAD / \$0.9597 US	
<b>Cash Price (\$/cwt/ckg)</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

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	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		120.57	125.33	140.31	143.65	143.65	138.40	127.43	122.51
			-	-	-	-	-	-	-
			135.54	144.60	148.23	144.89	142.69	130.27	128.83
Estimated Hog Margin	6.05	4.43	11.00	19.44	21.88	20.76	18.44	11.82	8.98
Soymeal Delivered	358	358	346	346	341	341	342	338	333
Corn Delivered	154	156	158	160	162	164	166	168	170

- \*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