

Hog Margin Outlook

Meeting Your Marketing Needs

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www.mpmc.mb.ca & www.spimg.ca



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

US Slaughter	
428,000—Thursday's	
423,000—Thursday's (year ago)	
US Iowa/Sthrn MN	\$68.21
Western Corn Belt	\$68.13
Daily National Price	\$68.71
Daily Sig3(M.Leaf)	\$133.31
Daily Sig4(M.Leaf)	\$130.19
4-Month Fwd Avg	\$143.92
#1 Export Sows (+500lbs) \$52.00/cwt	
B of C Ex. Rate (Noon) \$1.0675 CAD / \$0.9368 US	
Cash Price (\$/cwt/ckg) Cash prices for week ending February 26th, 2010	
58.60 / 129.20 Signature #3	
57.65 / 127.09 Signature #4	
57.24 / 126.20 MPMC Cash	
55.20 / 121.70 Springhill	

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Friday, February 26, 2010

Forward contract prices opened higher this morning.

Nearby lean hog futures saw sharp gains yesterday, with further out contracts seeing a modest rally. The pork cutout rebounded yesterday from Wednesday's sharp drop. Thursday's US hog slaughter numbers were above previous years, helping packers close the gap for the weekly total heading into the weekend. While lean hog futures have had strong closings the last couple days, profit-taking due to both the end of the week and month could provide significant resistance today. The Canadian Dollar is up slightly from yesterday, trading around \$0.9420 US at open.

Canadian delivered soymeal prices opened lower this morning.

The soy complex saw sharp losses yesterday, fuelled by negative outside markets and a higher US Dollar—but went on to trade relatively flat in the overnight session. Argentina is forecasted to see little precipitation through the weekend, with Brazil possibly seeing scattered showers. A March through November average is now sitting at \$339/MT, down \$5/MT from one week ago.

Canadian delivered corn prices opened lower this morning.

Corn was moderately lower on Thursday, but erased these losses overnight with help from a lower US Dollar and supportive crude oil pricing. Estimates from the Buenos Aires Grain Exchange peg corn production at 20.2 million tonnes, 3 million tonnes above the most recent USDA projection. Profit-taking ahead of the weekend could add to the bearish influence stemming from production numbers.

Weekly Comparison

WCB Cash (cwt)	+ \$3.26
ISM Cash (cwt)	+ \$3.37
Forward Prices (ckg)	+ \$3-5
\$CDN Dollar (Per US\$)	- 0.02

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)	126.11	130.98 -	144.81 -	148.21 -	147.95 -	143.47 -	132.27 -	128.67 -	120.84 -
		139.94	149.19	152.11	148.44	146.95	135.32	133.86	128.67
Estimated Hog Margin	4.43	11.00	19.44	21.88	20.76	18.44	11.82	8.98	4.77
Soymeal Delivered	348	343	343	343	343	340	336	335	327
Corn Delivered	160	162	164	166	168	170	172	174	176



Rothsay Animal Vegetable Feed Fat

\$528/tonne ↔ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

