



# Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit [www.mpmc.mb.ca](http://www.mpmc.mb.ca) & [www.spimg.ca](http://www.spimg.ca)

Monday, March 01, 2010

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

US Slaughter	
2.163 Mill—Last Week's	
2.179 Mill—Last Week's (year ago)	
US Iowa/Sthrn MN	\$69.97
Western Corn Belt	\$69.83
Daily National Price	\$69.40
Daily Sig3(M.Leaf)	\$134.73
Daily Sig4(M.Leaf)	\$129.67
4-Month Fwd Avg	\$142.90
#1 Export Sows (+500lbs) \$52.00/cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0526 CAD / \$0.9500 US	
<b>Cash Price (\$/cwt/pkg)</b> 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	

**Forward contract prices opened mixed this morning.** US cash markets are starting to rally out of the relatively narrow price range that they held in the last several weeks. There is good evidence that increased demand for pork is starting to translate into higher wholesale pork prices as evidenced by the strength in the pork cut-out and higher sow prices. In fact, sow prices are trading at about a 10% premium to that of market hogs, reflecting both the tighter supplies and strong demand for pork trimmings. Futures were quick to apply the good cash market news to the nearby contracts last week, and are expected to trade steady to higher this week. The Canadian Dollar is trading at the middle of its trading range of the last 3 months, but is gaining against the US Dollar this morning. *Please note, the Fixed Forward Range listed below is now quoted as Maple Leaf Signature 4, not Signature 3.*

**Canadian delivered soymeal prices opened lower this morning.** After fund buying and positive outside markets supported moderate gains on Friday, the soy complex closed lower overnight. Strength in energy markets has helped the Loonie gain roughly half a cent from Friday's close, which has moved the 9-month delivered average down to \$337/MT.

**Canadian delivered corn prices opened higher this morning.** A stronger US Dollar overnight limited corn's gains, after it saw a strong rally on Friday. Argentina saw no rain this weekend, with Brazil seeing only scattered showers. Temperatures in South America remain slightly above normal, which is seen as beneficial at this stage of crop development.

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.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #4)		131.17	140.78	145.76	145.58	139.69	132.04	127.41	120.08
		-	-	-	-	-	-	-	-
		137.42	145.08	148.81	147.35	145.95	134.74	132.07	126.09
Estimated Hog Margin	4.43	11.00	19.44	21.88	20.76	18.44	11.82	8.98	4.77
Soymeal Delivered	342	338	338	337	337	337	336	334	325
Corn Delivered	162	164	166	168	170	172	174	176	178

- \*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**