



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

# Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, March 03, 2010

**Forward contract prices opened mixed this morning.** US cash markets are not responding quickly to the higher trend in wholesale pork prices as packers attempt to improve the margins by limiting upside in their cash bids. Last week's Cold Storage Report showed an 18% drop in warehouse supplies compared to levels seen in February 2009. The Report helps the market determine how current processors and resellers are with their merchandizing efforts, and relates these efforts to the available supply. All pork cuts saw declines in inventory with the exception of ribs and butts, which were marginally higher. Lean Hog futures are called to open higher compared to yesterday's trade as the overnight trade more than zeroed out the losses seen in the nearby months. The Canadian Dollar is creeping higher again this morning, trading near \$0.97US and approaching the highest level seen in the last year.

**Canadian delivered soymeal prices opened lower this morning.** The soy complex saw mixed action yesterday, but went on to trade moderately higher in the overnight session. A lack of new news has left many traders waiting to take direction from next Wednesday's WASDE Report, which could result in little price movement in the next week.

**Canadian delivered corn prices opened steady this morning.** Corn futures traded flat yesterday and marginally higher overnight, with help from a lower US Dollar. Tomorrow's USDA Export Sales Report could push corn lower if sales once again come in lower than anticipated—which could be a precursor to a dip in export projections in next week's WASDE Report. Corn is seeing mild bullish support from steadily improving crude oil prices, moving above \$80 US a barrel this morning.

<b>US Slaughter</b>	
432,000—Tuesday's	
428,000—Tuesday's (year ago)	
US Iowa/Sthrn MN	\$70.13
Western Corn Belt	\$70.23
Daily National Price	\$70.72
Daily Sig3(M.Leaf)	\$132.93
Daily Sig4(M.Leaf)	\$129.63
4-Month Fwd Avg	\$143.57
#1 Export Sows (+500lbs) \$52.00/cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0326 CAD / \$0.9684 US	
<b>Cash Price (\$/cwt/kg)</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	

*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. #3)		128.37	142.56	145.87	147.61	142.20	131.27	125.81	118.20
		-	-	-	-	-	-	-	-
		137.83	146.81	151.32	148.09	146.66	133.90	132.47	125.81
Estimated Hog Margin	4.43	11.00	19.44	21.88	20.76	18.44	11.82	8.98	4.77
Soymeal Delivered	337	335	335	333	333	332	329	328	322
Corn Delivered	159	161	163	165	167	169	171	173	169

- \*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**