

Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, March 05, 2010

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

US Slaughter	
430,000—Thursday's	
432,000—Thursday's (year ago)	
US Iowa/Sthrn MN	\$71.71
Western Corn Belt	\$71.96
Daily National Price	\$71.73
Daily Sig3(M.Leaf)	\$135.98
Daily Sig4(M.Leaf)	\$131.26
4-Month Fwd Avg	\$144.35
#1 Export Sows (+500lbs) \$52.00/cwt	
B of C Ex. Rate (Noon) \$1.0309 CAD / \$0.9700 US	
Cash Price (\$/cwt/pkg) Cash prices for week ending March 5th, 2010	
60.75 / 133.92 Signature #3	
58.94 / 129.93 Signature #4	
58.94 / 129.93 MPMC Cash	
57.97 / 127.80 Springhill	

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Forward contract prices opened lower this morning.

Cash markets are finishing the week higher as packers attempt to fill their Saturday production schedule despite the tight supply of live hogs. Cash markets have gained more than US\$3.00/cwt in the last week, following the pork cut-out prices. Current margins for packers are estimated at just under \$8.00/hog, slightly better than what is currently believed to be a breakeven level. This week's slaughter appears to be comparable with recent weeks and year ago levels, but higher than what USDA projections were for this time of year. A stronger Canadian Dollar has limited the gains in both the cash and forward prices this week. The Canadian Dollar is trading within half a cent of the highest level over the last year, influenced by improved US economic fundamentals and stronger commodity prices.

Canadian delivered soymeal prices opened lower this morning.

Soybeans saw sharp losses yesterday, with an expected bearish WASDE Report weighing heavily on the market. The Canadian Dollar is up 1/3 of a cent from yesterday—helping move the 9-month average down to \$325/MT, down \$24/MT from one month ago.

Canadian delivered corn prices opened lower this morning.

Corn futures traded moderately lower yesterday, but those losses were cancelled out in the overnight session. Strength in crude oil and outside markets helped support corn's gains overnight. Farmer selling continues to be restrained, which is curbing downward movement.

Weekly Comparison

WCB Cash (cwt)	+ \$3.83
ISM Cash (cwt)	+ \$3.50
Forward Prices (ckg)	- \$1-2
\$CDN Dollar (Per US\$)	+ 0.0332

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)		129.34	143.33	146.63	148.05	142.66	131.79	125.99	118.41
		-	-	-	-	-	-	-	-
		138.60	147.58	151.36	148.80	147.38	134.32	132.90	125.99
Estimated Hog Margin	11.27	13.81	22.22	24.85	22.51	21.78	14.61	11.59	7.11
Soymeal Delivered	322	322	322	323	323	331	327	319	317
Corn Delivered	157	159	161	163	165	167	169	171	167

MPMC's 2010 Annual District Meetings

*Southeast District—Today @ 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