

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit

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

Monday, March 08, 2010

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

US Slaughter	
2.168 Mill—Last Week's	
2.225 Mill—Last Week's (year ago)	
US Iowa/Sthrn MN	\$72.23
Western Corn Belt	\$72.36
Daily National Price	\$72.35
Daily Sig3(M.Leaf)	\$136.43
Daily Sig4(M.Leaf)	\$132.09
4-Month Fwd Avg	\$144.47
#1 Export Sows (+500lbs) \$52.00/cwt	
B of C Ex. Rate (Noon) \$1.0286 CAD / \$0.9722 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. US cash prices look to be starting the week firmer, despite one Tyson plant not killing today due to a fire late last week. Strong demand for pork both in export and domestic markets is providing the rationale for packers to increase their bids. The tighter supply of sows available for slaughter is having a direct impact on trimmings values, which is also providing strength to packer margins. Summer month Lean Hog futures are trading just shy of contract highs, and are poised to make further gains should the cash market remain strong. The Canadian Dollar is starting this week higher again, with firm commodity prices and investors growing more comfortable with investments outside of the US. Some analysts have suggested that the Loonie could reach parity with the US Dollar by mid-summer.

Canadian delivered soymeal prices opened mixed this morning. Soybean futures traded marginally higher on Friday and overnight. Traders are anticipating a possible revision downwards for US ending stocks, though steady harvest progress and low storage capacity in South America is likely to limit any rallies. The 9-month average has once again moved lower, opening around \$323/MT.

Canadian delivered corn prices opened lower this morning. Corn saw sharp losses on Friday and traded relatively flat overnight despite supportive outside markets—with initial gains erased by a stronger US Dollar. Corn ending stocks are expected to remain unchanged, making any significant price movement early in the week unlikely.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)		130.98	142.30	145.60	147.09	142.56	131.70	125.99	118.43
		-	-	-	-	-	-	-	-
		137.58	146.55	150.40	148.41	147.00	134.22	132.80	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	327	325	325	324	324	328	327	319	311
Corn Delivered	155	157	159	161	163	165	167	169	165

MPMC's 2010 Annual District Meetings

*HB Marketing Hutterite District—Mar 10th @ 2pm—The Glesby Centre (Portage)

*Heartland Marketing Hutterite District—Mar 11th @ 1:30pm—Starbuck Community Hall