

Hog Margin Outlook

Meeting Your Marketing Needs

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

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Wednesday, March 10, 2010

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

US Slaughter	
402,000—Tuesday's	
418,000—Tuesday's (year ago)	
US Iowa/Sthrn MN	\$73.86
Western Corn Belt	\$73.75
Daily National Price	\$73.79
Daily Sig3(M.Leaf)	\$138.58
Daily Sig4(M.Leaf)	\$134.26
4-Month Fwd Avg	\$141.80
#1 Export Sows (+500lbs)	\$48.00/cwt
B of C Ex. Rate (Noon)	
\$1.0251 CAD / \$0.9755 US	
Cash Prices: Week Ending	
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 markets are under some pressure, with the slight reduction in packer capacity playing a factor. A Tyson pork slaughtering plant is still unable to restart its production line, which has made live supplies more abundant for its closest competitors. Pork product values have dipped slightly in the last few days, but demand for most of the fresh retail cuts remains strong. April Lean Hog futures are now trading at a slight discount to the cash market, indicating that traders are pessimistic about any further strength in cash prices over the next month. Summer month futures hold an \$8.00/cwt premium to the current cash market, a level that is slightly more conservative than average for this time of year. The Canadian Dollar continues to push higher, with the main influence being stronger commodity prices.

Canadian delivered soymeal prices opened lower this morning. This morning's WASDE Report showed a projected 0.54 million MT drop in US ending stocks, though this was offset by increases in foreign production. World ending stocks are forecasted to jump 0.94 million MT, with Argentina and Brazil expected to see a boost in exports. These revisions will further enforce the soy complex's recent bearish tone.

Canadian delivered corn prices opened lower this morning. Corn saw moderate losses yesterday and overnight. WASDE showed no change in ethanol use projections, but a 100 million bu reduction in exports helped boost US ending stocks by 80 million bu—with foreign ending stocks predicted to jump more than 4% from the previous estimate.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range: (Maple Leaf Sig. #3)		128.18	139.47	142.76	144.75	139.73	128.91	123.51	115.97
		134.76	143.70	148.04	145.37	143.96	131.42	130.01	123.51
(Maple Leaf Sig. #4)		126.77	134.96	140.43	142.50	137.04	129.57	123.70	116.59
		131.68	139.15	144.18	143.45	142.87	133.57	129.00	122.43
Estimated Hog Margin	11.27	13.81	22.22	24.85	22.51	21.78	14.61	11.59	7.11
Soymeal Delivered	323	320	320	320	321	326	322	314	309
Corn Delivered	151	153	155	157	159	161	163	165	163

MPMC's 2010 Annual District Meetings

*HB Marketing Hutterite District—Today @ 2pm—The Glesby Centre (Portage)

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