

Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, March 16, 2010

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

US Slaughter	
418,000—Monday's	
421,000—Monday's (year ago)	
US Iowa/Sthrn MN	\$69.12
Western Corn Belt	\$69.28
Daily National Price	\$73.94
Daily Sig3(M.Leaf)	\$129.75
Daily Sig4(M.Leaf)	\$134.09
4-Month Fwd Avg	\$141.19
#1 Export Sows (+500lbs) \$43.05/cwt	
B of C Ex. Rate (Noon) \$1.0217 CAD / \$0.9788 US	
Cash Prices: Week Ending March 12th, 2010	
62.24 / 137.21 Signature #3	
60.75 / 133.94 Signature #4	
60.75 / 133.94 MPMC Cash	
59.19 / 130.50 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.

Forward contract prices opened mixed this morning.

Cash markets continue to fall this morning after starting the week yesterday with declines of \$1.30/cwt across all cash market reporting regions. Packer operating margins have improved as a direct result of the lower cash bids, as the pork cut-out has stabilized at around \$74.00/cwt, resulting in margins slightly better than a breakeven. Lean Hog futures have not seen the same weakness as the cash market, as traders are gaining more confidence in the ability for strong pork demand to sustain summer hog prices at current levels. However, the Canadian Dollar continues to be a drag on Canadian hog prices, as it returns to the highest level in 20 months based on stronger commodity and equity markets.

Canadian delivered soymeal prices opened higher this morning.

Soybeans saw weakness early in the day yesterday, but steady fund buying pushed it to close higher. Strength in outside markets and a lower US Dollar helped soybeans rally overnight. Yesterday's USDA Export Inspections Report showed a 7% dip in inspections from last week—which is slightly lower than traders' had expected.

Canadian delivered corn prices opened steady this morning.

Marginal losses for corn futures yesterday were followed by relatively flat pricing overnight. Weakness in crude oil and fund selling contributed to yesterday's losses. Export inspections were fairly consistent with last week's results, which was anticipated. The Loonie is trading slightly higher than yesterday, broaching \$0.9850 US overnight.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range: (Maple Leaf Sig. #3)		127.25 133.79	138.47 142.68	141.74 146.49	142.51 143.22	138.63 141.57	127.87 130.36	122.40 128.96	114.91 122.40
(Maple Leaf Sig. #4)		125.85 130.74	134.00 138.16	139.43 142.67	140.17 141.95	135.97 140.53	128.54 132.53	122.61 127.96	115.54 121.34
Estimated Hog Margin	11.27	13.81	22.22	24.85	22.51	21.78	14.61	11.59	7.11
Soymeal Delivered	322	320	320	320	320	324	322	314	307
Corn Delivered	148	150	152	154	156	158	160	162	160



Rothsay Animal Vegetable Feed Fat

\$603/tonne ↑ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

