

Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, March 17, 2010

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

US Slaughter	
425,000—Tuesday's	
426,000—Tuesday's (year ago)	
US Iowa/Sthrn MN	\$68.81
Western Corn Belt	\$68.69
Daily National Price	\$73.39
Daily Sig3(M.Leaf)	\$127.77
Daily Sig4(M.Leaf)	\$132.20
4-Month Fwd Avg	\$142.85
#1 Export Sows (+500lbs)	\$43.05/cwt
B of C Ex. Rate (Noon)	
\$1.0148 CAD / \$.9854 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.

Packers are expected to hold cash bids steady today in an effort to meet their late week slaughter schedule. Weekly pork production continues to lag behind year ago levels due to the combination of fewer market hogs and lighter carcass weights. Production is currently running at about 3% under year ago levels, contributing to the 20% premium that this year's cash prices hold over year ago levels. The carcass cut-out is holding a 30% premium over last year, reflecting the improved demand from consumers and packer operating margins. The Canadian Dollar climbed as high 99 as cents US overnight, as it saw influence from ideas that Canada's interest rates could start climbing while the US Federal Reserve intends to hold rates steady.

Canadian delivered soymeal prices opened higher this morning.

Supportive outside markets and a lower US Dollar helped the soy complex continue its gains from yesterday. Rumbblings of a possible strike for workers in Argentina's soy crushing plants is helping support gains for US soybeans. Shipping delays in Brazil are adding to the recent bullish tone, making it appear likely that some importers will switch back to shipping from the US to avoid further delays.

Canadian delivered corn prices opened steady this morning.

Corn saw moderate gains yesterday, which continued overnight. The US National Weather Service reported yesterday that roughly 1/3 of the US faces a considerable flood risk—making a third consecutive year of late plantings more probable and supporting corn futures.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range: (Maple Leaf Sig. #3)		128.42 134.90	139.54 143.71	142.78 148.87	144.77 145.61	139.10 143.84	128.40 130.72	122.18 128.95	114.75 122.18
(Maple Leaf Sig. #4)		126.96 131.80	135.04 139.16	140.42 144.97	142.35 144.25	136.41 142.71	129.02 132.98	122.35 127.92	115.35 121.10
Estimated Hog Margin	11.27	13.81	22.22	24.85	22.51	21.78	14.61	11.59	7.11
Soymeal Delivered	330	326	326	325	326	337	332	311	305
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

