

Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, March 22, 2010

Forward contract prices opened higher this morning. US cash markets are called to open steady to \$0.50 higher, with the higher pork cut-out providing some rationale to maintain an aggressive production schedule. Last week's news of China reopening to US pork should figure into the psychology of cash and futures markets, despite the belief that this decision will have a limited impact on the quantity of product moving. Futures traders will be preoccupied with this week's release of the March Hogs and Pigs Report that could help explain the recent surge in market hog numbers, relative to expectations. The Canadian Dollar has dropped from the highs it put in last week, as global investors are still concerned with growth in the world economy and the implications that this has on commodity prices.

Canadian delivered soymeal prices opened higher this morning. Negative outside markets and a higher US Dollar helped put pressure on the soy complex in the overnight session. Harvest progress remains steady in South America, but rain is expected early this week for regions of Brazil which could substantially slow harvest progression.

Canadian delivered corn prices opened higher this morning. Sharp losses for energy markets helped corn futures continue their losses from Friday into the overnight session. The Canadian Dollar is trading sharply lower from Friday's close, dropping below \$0.98US this morning and neutralizing recent losses for corn futures. Much of the US Midwest is expected to see precipitation this week—keeping potential planting delays as a concern to traders.

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

US Slaughter	
2.166 Mill—Last Week's	
2.158 Mill—Last Week's (year ago)	
US Iowa/Sthrn MN	\$68.55
Western Corn Belt	\$68.59
Daily National Price	\$71.66
Daily Sig3(M.Leaf)	\$127.67
Daily Sig4(M.Leaf)	\$129.19
4-Month Fwd Avg	\$146.38
#1 Export Sows (+500lbs)	\$43.05/cwt
B of C Ex. Rate (Noon)	
\$1.0155 CAD / \$0.9847 US	
Cash Prices: Week Ending March 19th, 2010	
58.46 / 128.87 Signature #3	
59.91 / 132.07 Signature #4	
57.80 / 127.42 MPMC Cash	
55.49 / 122.33 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.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range: (Maple Leaf Sig. #3)		137.91	143.57 147.76	148.83 152.14	148.51 149.82	141.81 147.58	131.10 133.63	125.98 132.23	118.52 125.98
(Maple Leaf Sig. #4)		135.54	138.97 142.76	144.02 148.35	145.65 147.99	139.07 146.01	131.49 135.64	125.91 130.97	119.05 124.64
Estimated Hog Margin	12.60	14.83	21.91	24.33	23.27	20.62	13.37	10.51	6.20
Soymeal Delivered	340	337	336	336	336	345	344	321	318
Corn Delivered	150	152	154	156	158	160	162	164	162

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

