

Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, March 25, 2010

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

Forward contract prices opened lower this morning. US hog slaughter for this week is expected to again exceed year ago levels in spite of packers dropping

	Avg	Range
All hogs & pigs on Mar 1	98.9	98.1-99.9
Kept for breeding	97.4	97.0-97.8
Kept for marketing	99.1	98.2-99.8
Dec-Feb pig crop	99.3	97.9-100.4

their cash bids steadily over the week. The abundant supplies have allowed packers to maintain a larger than expected kill schedule, and increase their operating margins. Focus in the futures market is on tomorrow's Hogs and Pigs Report, which is expected to show a 1% drop in market hog supplies and a 2.5% drop in the breeding herd. In addition, analysts are not expecting the USDA to report a significant decline in market hogs over the next 3 months as was seen in the first month and a half of this year. The Canadian Dollar dropped almost a cent in yesterday's trade despite the Governor of the Bank of Canada restating his plan to hold interest rates steady until July.

Canadian delivered soymeal prices opened mixed this morning. Soybeans traded lower yesterday but erased most of those losses with gains in the overnight session. This morning's USDA Export Sales Report showed a 28% jump from last week. Argentine dockworkers have been on strike since Tuesday this week, which is adding bullish support to US soy prices.

Canadian delivered corn prices opened lower this morning. Corn saw mild losses yesterday and traded relatively flat overnight. Rainy weather is moving through much of the US Corn Belt this morning, which could help corn curb its recent losses. Strength in commodities has helped the Canadian Dollar push back above \$0.98US this morning.

US Slaughter	
429,000—Wednesday's	
424,000—Wednesday's (year ago)	
US Iowa/Sthrn MN	\$67.02
Western Corn Belt	\$67.06
Daily National Price	\$70.48
Daily Sig3(M.Leaf)	\$126.20
Daily Sig4(M.Leaf)	\$128.44
4-Month Fwd Avg	\$143.64
#1 Export Sows (+500lbs) \$47.50/cwt	
B of C Ex. Rate (Noon) \$1.0267CAD / \$0.9740 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	

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	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range: (Maple Leaf Sig. #3)		134.87	139.56 143.79	142.85 147.23	145.07 145.82	140.75 144.13	128.53 131.04	124.74 129.63	115.80 123.33
(Maple Leaf Sig. #4)		131.60	135.06 138.88	140.15 143.85	141.39 144.48	129.02 134.57	124.26 128.45	116.42 122.52	112.24 126.39
Estimated Hog Margin	12.60	14.83	21.91	24.33	23.27	20.62	13.37	10.51	6.20
Soymeal Delivered	344	341	341	335	336	343	340	317	313
Corn Delivered	146	148	150	152	154	156	158	160	158

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

