



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, March 26, 2010

Forward contract prices opened lower this morning. Cash markets have dropped all week as packers have found ample hog supplies to meet their kill schedule, and have had steadily declining wholesale pork prices squeezing their margins. However, packers still have reasonable margins for this time of year, currently estimated at about \$11/hog. In the last few weeks, ham prices have been a drag on the carcass cut-out, dropping close to 20% due to Easter holiday demand already being met. Lean Hog futures are expected to trade relatively steady today, but Monday's trade could result in a significant price swing, depending on the results of today's Hogs & Pigs Report.

Canadian delivered soymeal prices opened higher this morning. A lower US Dollar overnight and positive outside markets helped soybeans trade higher overnight, erasing yesterday's losses. The Loonie has moved lower trading around \$0.9730 US this morning. An April-December average is now at \$330/MT, unchanged from last Friday.

Canadian delivered corn prices opened higher this morning. Corn was sharply lower yesterday, with heavy fund selling resulting from an improved US weather outlook—helping ease concerns of planting delays. Weather has been cooperative for harvest efforts in South America, with harvest starting to get into full swing and adding to the underlying bearish tone.

<u>Weekly Comparison</u>	
WCB Cash (cwt)	- \$2.01
ISM Cash (cwt)	- \$2.13
Forward Prices (ckg)	+ \$0-1
\$CDN Dollar (Per US\$)	- 0.0048

	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

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

<u>US Slaughter</u>	
424,000—Thursday's	
429,000—Thursday's (year ago)	
US Iowa/Sthrn MN	\$66.56
Western Corn Belt	\$66.68
Daily National Price	\$70.39
Daily Sig3(M.Leaf)	\$124.53
Daily Sig4(M.Leaf)	\$127.29
4-Month Fwd Avg	\$139.57
#1 Export Sows (+500lbs)	\$47.50/cwt
B of C Ex. Rate (Noon)	
\$1.0188 CAD / \$0.9815 US	
Cash Prices: Week Ending March 26th, 2010	
57.35 / 126.44 Signature #3	
58.25 / 128.41 Signature #4	
56.55 / 124.68 MPMC Cash	
54.25 / 119.59 Springhill	

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	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)	131.73	135.40 140.61	139.67 144.10	142.04 142.69	138.57 141.10	126.38 128.88	122.91 127.47	113.99 121.50	110.20 118.68
(Maple Leaf Sig. #4)	128.59	132.03 135.83	137.10 140.84	138.48 141.48	136.39 139.75	126.95 132.49	122.50 126.38	114.69 120.78	110.38 120.87
Estimated Hog Margin	12.16	19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	335	335	332	333	341	341	312	309	309
Corn Delivered	148	150	152	154	156	158	160	158	158

Rothsay Animal Vegetable Feed Fat

\$608/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

