

Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, March 31, 2010

Forward contract prices opened higher this morning. Cash markets have found support at current price levels after having fallen about 10% of their value in the last two weeks. The Hogs and Pigs Report, which has had a major impact on futures prices may have helped with the psychology of the cash market, but improved packer margins were the primary reason for the recent strength. Summer month futures have climbed back to contract highs that were set early last week, as traders are optimistic that hog supplies will shrink sufficiently to trigger an impressive rally over the next 2 months. The strength in the Canadian Dollar continues to temper the gains in the hog market. A Report on Canada's economic growth in January showed that it grew 0.6%, beating expectations and pushing the loonie closer to par value

Canadian delivered soymeal prices opened lower this morning. The soybean complex is opening slightly lower in response to the USDA's Report on Prospective Plantings. The USDA reported that soybean acres will increase this year by about 600,000 acres while the average trade estimate for soybean acres was close to 1 million. The Report on Quarterly grain stocks revealed larger than expected soybean stocks, contributing a slightly bearish impact.

Canadian delivered corn prices opened lower this morning. The corn market was not surprised by the Prospective Plantings Report showing that corn acreage would increase by only 2.3 million acres or about 2.7%. This increase was smaller than trade estimates but triggered no rally due to the fact that acreage is still expected to be higher than last year. There was a negligible impact from a slight increase in corn stocks.

Hog Prices: ↑ Soymeal: ↓
Cdn Dollar: ↑

US Slaughter	
428,000—Tuesday's	
424,000—Tuesday's (year ago)	
US Iowa/Sthrn MN	\$67.70
Western Corn Belt	\$67.69
Daily National Price	\$69.05
Daily Sig3(M.Leaf)	\$126.41
Daily Sig4(M.Leaf)	\$124.86
4-Month Fwd Avg	\$149.07
#1 Export Sows (+500lbs)	\$45.50 cwt
B of C Ex. Rate (Noon)	
\$1.0188 CAD / \$.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	

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.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		144.92 149.12	148.19 152.26	150.05 150.86	145.29 149.12	133.14 135.64	129.33 134.23	120.44 127.93	116.34 125.12
(Maple Leaf Sig. #4)		140.24 144.04	145.31 148.71	146.21 149.34	142.86 147.48	133.45 138.97	128.68 132.89	120.89 126.96	116.29 127.05
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	334	334	333	334	342	336	313	314	314
Corn Delivered	144	146	148	150	152	154	156	154	154

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

