

Hog Margin Outlook

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Friday, April 16, 2010

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

US Slaughter	
409,000—Thursday's	
427,000—Thursday's (year ago)	
US Iowa/Sthrn MN	\$78.87
Western Corn Belt	\$78.35
Daily National Price	\$76.64
Daily Sig3(M.Leaf)	\$143.82
Daily Sig4(M.Leaf)	\$136.23
4-Month Fwd Avg	\$150.70
#1 Export Sows (+500lbs) \$48.60 cwt	
B of C Ex. Rate (Noon) \$0.9986 CAD / \$1.0014 US	
Cash Prices: Week Ending April 16th, 2010	
62.65/138.11 Signature #3	
61.14/134.78 Signature #4	
61.24/135.00 MPMC Cash	
59.42/131.00 Springhill	

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Forward contract prices opened higher this morning. US cash markets are finishing the week with higher bids as packers attempt a larger Saturday kill, compared to a week ago. Cash markets gained more than 5% of their value as packers are dealing with good operating margins, a higher trending wholesale pork market and anticipation of tightening hog supplies in the coming weeks. Futures responded positively, with summer month contracts rallying to break through contract highs. Traders are content to bid up the futures prices as cash prices make large gains, however these gains would be at risk if the cash market sees some weakness. The Canadian Dollar is helping forward prices by dropping about 20 basis points from yesterday's close. June and July forward contract prices are trading at their highest levels to date, representing an average premium over the current cash market.

Canadian delivered soymeal prices opened higher this morning. Soymeal markets are seeing little new fundamental information today, with the early call for trade being slightly higher. There are ideas of stronger demand for US soybeans from China after a report pegged China's economy growing at an annual rate of 12% in the month of March.

Canadian delivered corn prices opened steady this morning. Corn markets saw weakness in overnight trade and are expected to see further weakness during trade this morning. Some analysts are expecting planting progress to jump to 20% on national basis, well ahead of the 5 year average progress. Early seeded crops have a greater chance of high yields and this has a bearish impact on the market.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		153.09 154.01	151.26 154.01	152.53 153.17	149.07 151.79	137.12 139.70	133.03 138.32	124.28 131.65	117.57 128.88
(Maple Leaf Sig. #4)		146.47 147.01	147.36 149.48	148.24 150.02	145.25 149.13	136.34 141.33	131.14 135.72	123.47 129.53	121.90 129.53
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	344	344	344	344	354	348	322	320	320
Corn Delivered	146	148	150	152	154	156	158	156	156



Rothsay Animal Vegetable Feed Fat

\$558/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

