

Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, April 21, 2010

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

US Slaughter	
409,000—Tuesday's	
424,000—Tuesday's (year ago)	
US Iowa/Sthrn MN	\$81.63
Western Corn Belt	\$81.23
Daily National Price	\$79.87
Daily Sig3(M.Leaf)	\$148.69
Daily Sig4(M.Leaf)	\$141.57
4-Month Fwd Avg	\$149.85
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$.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 made a big move higher yesterday, triggered largely by the Iowa/Southern Minnesota region. The closing of Morrell's plant in Sioux City, Iowa a few weeks ago may have shaken things up so that packers are trying to attract new producers. Packers still have some margin left to compete for new supplies as wholesale pork prices continue to climb higher, reflecting the tighter supplies. Last week's announcement that Russia would accept US poultry may also be contributing to the recent strength in pork prices. The Canadian Dollar jumped above parity with the US Dollar yesterday, as the Bank of Canada hinted that they may increase interest rates before July. The combination of lower Lean Hog futures and a sharply higher Canadian Dollar took more than \$2.00/kg out of summer months forward prices.

Canadian delivered soymeal prices opened mixed this morning. A higher soybean market yesterday influenced soybean meal higher as fresh news of Chinese demand provided the catalyst for the gains. Technical indicators suggest that we may have started into a longer term bullish market, which could bring about more fund buying.

Canadian delivered corn prices opened higher this morning. The focus in corn markets is squarely on the weather, as traders attempt to forecast the impact of the excellent planting progress on the 2010/11 crop year's production. The recent rally in the soybean complex is limiting the supply driven bearish trend.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		153.15	151.32 154.07	152.68 153.14	148.93 151.77	137.02 139.63	133.52 138.25	124.79 132.14	117.47 129.38
	(Maple Leaf Sig. #4)		146.54	147.42 149.63	148.21 150.16	145.10 149.09	136.23 141.20	131.60 135.66	123.96 130.00
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	351	349	347	348	359	353	327	327	327
Corn Delivered	145	147	149	151	153	155	157	155	155



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

