

Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, April 27, 2010

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

US Slaughter	
408,000 – Monday	
409,000- Monday (year ago)	
US Iowa/Sthrn MN	\$82.09
Western Corn Belt	\$81.90
Daily National Price	\$81.90
Daily Sig3(M.Leaf)	\$150.26
Daily Sig4(M.Leaf)	\$145.50
4-Month Fwd Avg	\$149.11
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$1.0009CAD / \$0.9991 US	
Cash Prices: Week Ending April 23rd, 2010	
67.36/148.51 Signature #3	
64.60/142.41 Signature #4	
65.54/144.50 MPMC Cash	
63.96/141.00 Springhill	

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Forward contract prices opened higher this morning. US packers started the week with higher cash bids yesterday and are expected to remain aggressive in the open market to secure a projected weekly slaughter of 2.05 million hogs. Wholesale pork prices have climbed more than 25% over April, a larger than average gain for the month. Domestic and export meat demand have exceeded expectations over the last several months, with grilling demand and increased sales to Russia and China impacting the market recently. Lean Hog futures regained the losses they incurred yesterday, as strength in the cash market provided support to the nearby contracts and is fueling technical buying. Adding further support to forward contract prices is the lower Canadian Dollar, which is down 50 basis points this morning.

Canadian delivered soymeal prices opened lower this morning. Soybean meal markets are trading lower this morning, being influenced by an encouraging planting outlook as well as declines in global stocks, particularly Asia. The strong rate of planting in the U.S. is anticipated to cap gains in the soybean complex. A strong U.S. Dollar is also working to weaken export demand.

Canadian delivered corn prices opened lower this morning. The result of yesterday's USDA Crop Progress Report was bearish again to the corn market with half of all intended corn acres being planted. This is well ahead of last year's pace of only 5% complete and double the 5 year average. An early planted crop has the impact of increasing the yield potential of the crop and can increase the corn acreage from earlier intentions.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range: (Maple Leaf Sig. #3)		150.74	152.10	149.51	137.50	134.05	125.26	117.87	122.98
		153.51	153.57	151.38	140.12	138.74	132.66	129.89	129.94
(Maple Leaf Sig. #4)		146.87	148.63	145.67	136.73	132.14	124.43	125.15	121.79
		149.07	149.61	149.52	141.74	136.14	130.53	130.53	127.18
Estimated Hog Margin	23.55	24.50	24.25	22.77	15.87	13.61	9.08	8.97	9.98
Soymeal Delivered	353	348	349	366	355	339	333	333	336
Corn Delivered	142	144	146	148	150	152	150	150	150



Rothsay Animal Vegetable Feed Fat

\$588/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

