



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, May 06, 2010

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

US Slaughter	
397,000 – Wednesday's	
397,000- Wednesday's (year ago)	
US Iowa/Sthrn MN	\$85.93
Western Corn Belt	\$86.12
Daily National Price	\$86.29
Daily Sig3(M.Leaf)	\$162.06
Daily Sig4(M.Leaf)	\$157.24
4-Month Fwd Avg	\$148.51
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$1.0266CAD / \$0.9734 US	
Cash Prices: Week Ending April 30th, 2010	
69.28/152.73 Signature #3	
67.40/148.58 Signature #4	
67.79/149.44 MPMC Cash	
65.52/144.44 Springhill	

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Forward contract prices opened lower this morning. US cash markets have dropped from the highs seen earlier this week as packers came to the realization that live hog supply is tighter than anticipated and higher bids will do little to secure a larger weekly slaughter. Daily slaughter levels are shrinking relative to last year's with yesterday estimated at less than 400,000 hogs. Lean Hog futures were pummeled by the same factor affecting all commodity and stock markets, the Greek debt crisis that threatens to trigger similar situations in at least 3 other European countries. The Canadian Dollar has fallen sharply in response to the same event, as global investors flock to the "safe haven" of the US Dollar. The impact on forward contract prices from the sharply lower Lean Hog and Canadian Dollar futures is a drop of about \$2.00/ckg.

Canadian delivered soymeal prices opened lower this morning. The soybean complex is trading lower this morning as a stronger U.S. Dollar attracted traders to reduce their risk exposure in response to European financial uncertainty. As well, ideal growing conditions and rapid seeding provided further bearish influences.

Canadian delivered corn prices opened higher this morning. Corn markets continue to climb this morning after session lows earlier in the week, despite the excellent start to U.S. planting. Rumors that China has bought more U.S. corn may be contributing to this bullish phenomenon.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range: (Maple Leaf Sig. #3)		152.66	153.10	148.85	136.56	131.84	122.84	116.05	121.27
		154.52	154.14	152.73	139.13	137.71	130.42	127.58	128.39
(Maple Leaf Sig. #4)		148.11	149.73	145.06	135.90	130.06	122.17	120.65	120.19
		150.83	151.37	150.64	141.03	135.19	128.40	128.40	125.70
Estimated Hog Margin	28.56	29.32	28.52	26.43	18.93	16.35	11.45	11.14	12.43
Soymeal Delivered	352	352	353	365	360	335	333	333	335
Corn Delivered	154	156	158	160	162	164	162	162	162

CONGRATULATIONS

Designed Genetics

Winner of the April 2010 Sow Lottery