

Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, May 10, 2010

Hog Prices: ↓ **Soymeal:** ↑

Corn: ↔ **Cdn Dollar:** ↓

US Slaughter	
1.992 Mill. — Last Week's	
2.016 Mill. - Last Week's (year ago)	
US Iowa/Sthrn MN	\$85.16
Western Corn Belt	\$85.22
Daily National Price	\$87.28
Daily Sig3(M.Leaf)	\$162.94
Daily Sig4(M.Leaf)	\$161.60
4-Month Fwd Avg	\$149.70
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$1.0431CAD / \$0.9569 US	
Cash Prices: Week Ending May 7th, 2010	
72.48/159.78 Signature #3	
70.46/155.34 Signature #4	
70.95/156.42 MPMC Cash	
68.23/150.42 Springhill	

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Forward contract prices opened lower this morning. US cash markets are called lower to start the week, as packer margins are forcing them to aim at a smaller weekly slaughter of 1.99 million hogs. Last week, packers were unable to reach their goal and killed 1.992 million hogs, despite the lure of significantly higher bids early in the week. Wholesale pork prices are maintaining good support, as pork supplies continue to tighten, while consumers are buying more fresh pork for grilling. Lean Hog futures are expected to trade near steady this morning as traders are hesitant to put any premium on the summer month contracts while cash prices come under pressure. The Canadian Dollar is trading in huge volatility with this morning's trade gaining more than a cent and a half over last week's close.

Canadian delivered soymeal prices opened higher this morning. Soybean futures are higher this morning, bouncing back from four-week lows. Lack of producer selling together with strong export demand are the main factors influencing this bullish trend.

Canadian delivered corn prices opened steady this morning. Corn markets opened steady this morning with gains being capped by a decrease in crude oil prices. As well, forecasts for unfavorable weather for the week together with strong demand have limited downside movement.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range: (Maple Leaf Sig. #3)		154.40 155.15	153.46 155.90	152.52 154.49	140.33 142.67	134.02 140.40	125.10 132.61	117.39 129.80	122.56 129.61
(Maple Leaf Sig. #4)		150.79 151.15	151.33 152.33	149.33 152.33	139.52 144.25	133.05 137.96	124.14 130.87	121.77 130.51	121.32 126.78
Estimated Hog Margin	28.56	29.32	28.52	26.43	18.93	16.35	11.45	11.14	12.43
Soymeal Delivered	350	347	350	361	354	331	331	331	349
Corn Delivered	156	158	160	162	164	166	164	164	164



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

