

Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, May 13, 2010

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

US Slaughter	
397,000 – Wednesday's	
410,000 - Wednesday's (year ago)	
US Iowa/Sthrn MN	\$84.56
Western Corn Belt	\$85.03
Daily National Price	\$87.70
Daily Sig3(M.Leaf)	\$158.99
Daily Sig4(M.Leaf)	\$158.80
4-Month Fwd Avg	\$149.80
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$1.0201CAD / \$0.9799 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. Higher packer bids failed to pan out yesterday as few packers are willing to buck the trend of tighter live hog supplies by maintaining their production schedule. This week's kill is shaping up to be smaller than 1.95 million hogs, significantly smaller than was anticipated. With wholesale pork prices continuing to make steady gains, the estimated operating margins of packers has grown to about \$12.00/hog, near the average for this time of year. Nearby futures are experiencing the last day of the Goldman Roll, a period whereby the large index fund will sell June and buy July and August, which could be supportive to late summer forward contract prices. The Canadian Dollar is starting the day up close to half a cent against the U.S. Dollar as risk aversion related to the EU debt crisis subsides.

Canadian delivered soymeal prices opened steady this morning. Soybean futures opened steady this morning after yesterday's initial spike caused by spillover support of corn. Prices remain steady despite the USDA WASDE Report's forecast of the second largest soybean yield on record for 2010 at 3.31 billion bushels.

Canadian delivered corn prices opened lower this morning. Corn markets opened lower this morning after a sharp spike yesterday due to a purchase of corn by China. As a result of the sale, farmer selling increased capping initial gains, providing a buying opportunity.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range: (Maple Leaf Sig. #3)		154.75	153.82	152.41	140.91	134.01	125.12	117.33	122.49
		155.22	154.75	154.47	143.25	141.13	132.61	129.80	129.53
(Maple Leaf Sig. #4)		150.50	150.31	149.86	140.08	133.04	124.15	121.79	121.34
		151.49	152.03	152.75	144.79	138.66	130.86	130.50	126.79
Estimated Hog Margin		27.98	27.28	26.03	18.50	15.70	10.30	9.27	10.52
Soymeal Delivered	347	343	343	354	347	328	322	322	323
Corn Delivered	151	153	155	157	159	161	159	159	159



Rothsay Animal Vegetable Feed Fat

\$628/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

