

Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, May 14, 2010

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

US Slaughter	
394,000 – Thursday's	
405,000 - Thursday's (year ago)	
US Iowa/Sthrn MN	\$85.15
Western Corn Belt	\$84.64
Daily National Price	\$87.20
Daily Sig3(M.Leaf)	\$157.46
Daily Sig4(M.Leaf)	\$155.11
4-Month Fwd Avg	\$150.24
#1 Export Sows (+500lbs)	\$56.00 cwt
B of C Ex. Rate (Noon)	\$1.0149CAD / \$0.9853US
Cash Prices: Week Ending May 14th, 2010	
72.16/159.08 Signature #3	
72.09/159.08 Signature #4	
71.12/156.79 MPMC Cash	
68.85/151.79 Springhill	

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.

Forward contract prices opened higher this morning. U.S. cash markets were unable to reverse this week's early losses but steadied late in the week, resulting in lower cash bids compared to last Friday. Packers have been forced to cut-back on their production schedules as the weekly kill is estimated at less than 1.95 million hogs. Live hog supplies are tighter than expected. The reduced slaughter has provided support to the wholesale pork market, with the pork cut-out running near \$91.00/cwt. Lean hog futures refuse to trade at a premium to the cash index, as traders remain pessimistic that the cash market will move through the highest prices seen in years. The Canadian Dollar is down about a cent this morning against the US dollar as weaker crude oil and an uncertain global economy pressure our currency.

Canadian delivered soymeal prices opened steady this morning. Soybean meal futures are trading mixed this morning with the major influence being the higher US dollar impacting the relative competitiveness of the US crop for export. According to the last planting progress report, approximately 30% of the soybean crop has been planted, however, heavy rains throughout much of the Midwest will prevent significant progress this week.

Canadian delivered corn prices opened higher this morning. Corn markets have been volatile to end the week with traders focusing on news of Chinese demand as opposed to planting progress and crop conditions that are normally the predominant factors at this time of year. The stronger US dollar combined with weaker crude oil are having a bearish impact on this morning's futures trade.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range: (Maple Leaf Sig. #3)		154.58	153.64	152.79	141.73	134.78	125.78	118.39	123.60
		155.06	155.15	155.43	144.10	141.97	133.36	130.52	130.72
(Maple Leaf Sig. #4)		150.26	150.70	150.70	140.91	133.81	124.83	122.91	122.34
		151.34	151.89	153.72	145.67	139.49	131.61	131.24	126.79
Estimated Hog Margin		27.98	27.28	26.03	18.50	15.70	10.30	9.27	10.52
Soymeal Delivered	350	342	342	355	348	321	320	320	323
Corn Delivered	153	155	157	159	161	163	161	161	161

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

