

Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, May 18, 2010

Hog Prices: ↓ **Soymeal:** ↑

Corn: ↓ **Cdn Dollar:** ↑

US Slaughter	
390,000 – Monday's	
407,000 - Monday's (year ago)	
US Iowa/Sthrn MN	\$82.54
Western Corn Belt	\$82.88
Daily National Price	\$86.47
Daily Sig3(M.Leaf)	\$158.07
Daily Sig4(M.Leaf)	\$159.70
4-Month Fwd Avg	\$143.19
#1 Export Sows (+500lbs) \$54.00 cwt	
B of C Ex. Rate (Noon) \$1.0405CAD / \$0.9595US	
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	

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Forward contract prices opened lower this morning. US packers are continuing to cut back on their hog slaughter and dropping their cash bids in response. Hog supplies have tightened at a quicker than average pace in the last several weeks, forcing production cuts and contributing positively to wholesale pork prices. However, recent declines in the value of competing meats may be influencing the pork markets lower as beef, poultry, and pork all compete for the upcoming Memorial Day sales blitz. Lean Hog futures dropped more than \$2.00/cwt yesterday, a delayed reaction to the sharp drop impacting cattle prices on Friday. The Canadian Dollar has come under pressure from lower equity and commodity markets, as crude oil dropped to just above \$70.00/barrel, and the lowest level seen this year.

Canadian delivered soymeal prices opened higher this morning. The soybean complex opened higher this morning as projections of increased demand buoyed soybean prices. This bullish movement came despite Monday's USDA Crop Report, which stated U.S. soybeans were 13% emerged, compared with 9% from last year.

Canadian delivered corn prices opened lower this morning. Corn markets are trading lower this morning as the U.S. Dollar continues to strengthen on account of lingering European economic concerns. The bearish trend is expected to continue as excellent growing conditions through much of the Corn Belt has been forecasted.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		148.15	147.20	146.64	135.82	129.48	120.53	113.75	118.95	126.50
		148.62	148.99	149.46	138.17	135.98	128.07	125.24	126.03	128.39
(Maple Leaf Sig. #4)		144.92	144.74	144.74	135.17	128.67	119.73	118.38	117.93	125.24
		145.10	145.65	147.93	139.90	133.69	126.48	126.12	123.41	126.61
Estimated Hog Margin		25.81	25.10	23.27	16.99	14.32	8.73	8.05	10.03	14.38
Soymeal Delivered	353	342	342	353	348	326	325	325	327	329
Corn Delivered	150	152	154	156	158	160	158	158	158	158



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

