

# Hog Margin Outlook

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Tuesday, April 06, 2010

Hog Prices: ↑ Soymeal: ↔

Corn: ↔ Cdn Dollar: ↑

US Slaughter	
296,000—Monday's	
415,000—Monday's (year ago)	
US Iowa/Sthrn MN	\$73.44
Western Corn Belt	\$73.42
Daily National Price	\$70.86
Daily Sig3(M.Leaf)	\$134.92
Daily Sig4(M.Leaf)	\$126.09
4-Month Fwd Avg	\$149.27
#1 Export Sows (+500lbs) \$47.50 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0025 CAD / \$0.9975 US	
<b>Cash Prices: Week Ending April 2nd, 2010</b>	
57.43 / 126.61 Signature #3	
56.95 / 125.55 Signature #4	
56.29 / 124.10 MPMC Cash	
54.06 / 119.17 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.** US cash markets opened the week higher yesterday in spite of a significantly reduced daily slaughter. The Easter Monday holiday had the impact of dropping the daily slaughter from 430,000 to about 300,000 as some packers did not operate. Hog supplies are still relatively abundant, but packers have good incentives to maximize what remains of this week's production schedule due to the profitable margins. Lean Hog futures spiked yesterday in response to the firming cash market, and good news on the demand side for both domestic and export markets. The Loonie is clawing back some of the gains seen in Canadian cash hog and forward prices, as it is trading within half a cent of par value with the US Dollar.

**Canadian delivered soymeal prices opened steady this morning.** Soymeal futures are expected to remain in a holding pattern today as there are a few new fundamental factors coming to light. Crop planting in the US mid-west is just around the corner and traders are shifting their focus to the weather. The prospect of warm, relatively dry weather is having a bearish bias on ag commodities.

**Canadian delivered corn prices opened steady this morning.** Corn futures are opening near steady this morning, similar to trade seen in the last week. The employment report released on Friday impacted yesterday's trade by generating some optimism in domestic demand for corn to offset the bearish weather forecast. Corn is trading down close to US\$1.00 per bushel since the start of this year.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		147.58	148.96	150.92	145.30	133.34	128.75	119.99	114.97
		149.88	153.40	152.02	150.00	135.85	134.46	127.37	124.60
(Maple Leaf Sig. #4)		143.71	145.85	147.03	142.49	133.22	127.53	120.04	119.38
		144.60	149.35	149.89	147.75	138.57	133.07	125.93	125.93
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	324	324	323	324	333	329	304	304	304
Corn Delivered	142	144	146	148	150	152	154	152	152



## Rothsay Animal Vegetable Feed Fat

**\$568/tonne ↓ (2 – 19 mt)**

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

\*Price quoted is FOB Southeast Manitoba

