

Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, April 07, 2010

Hog Prices: ↑ Soymeal: ↔

Corn: ↔ Cdn Dollar: ↑

US Slaughter	
424,000—Tuesday's	
426,000—Tuesday's (year ago)	
US Iowa/Sthrn MN	\$77.10
Western Corn Belt	\$76.49
Daily National Price	\$71.80
Daily Sig3(M.Leaf)	\$140.22
Daily Sig4(M.Leaf)	\$127.46
4-Month Fwd Avg	\$148.99
#1 Export Sows (+500lbs) \$47.50 cwt	
B of C Ex. Rate (Noon) \$1.0001 CAD / \$0.9999 US	
Cash Prices: Week Ending April 2nd, 2010	
57.43 / 126.61 Signature #3	
56.95 / 125.55 Signature #4	
56.29 / 124.10 MPMC Cash	
54.06 / 119.17 Springhill	

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Forward contract prices opened higher this morning. US cash hog prices skyrocketed by more than \$3.50/cwt yesterday in what some would argue was an irrational market. The spike in cash bids had the impact of eliminating almost the entire margin that packers had over wholesale pork prices. However, this may be an early indication of strong summer pork demand as processors begin to build inventory for the summer grilling season, while prices are still relatively low. Summer month Lean Hog futures have been trading at or near contract highs and the highest futures prices since 1997. However, the Canadian Dollar returned to par value yesterday, diminishing the gains in US hog prices. Factors pushing the loonie higher are stronger commodity prices, a relatively strong economy and a sound financial system.

Canadian delivered soymeal prices opened steady this morning. Soymeal prices found support yesterday from ideas that Soybean stocks would be reduced in an upcoming report. Soybean ending stocks are expected to drop to 209 million bushels for this crop year. The weaker US Dollar also had the impact of improving the export potential of the US crop.

Canadian delivered corn prices opened steady this morning. Corn markets are also starting to prepare for Friday's stocks report, but it is not expected to show any large surprises. Corn plantings on Monday's USDA Planting Progress Report are expected to be around 8% complete, well ahead of the 2% that we experienced last year.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		147.34	148.71	150.71	145.94	134.01	129.01	120.28	114.83
		149.63	152.38	151.35	149.97	136.54	135.16	127.63	124.87
(Maple Leaf Sig. #4)		143.48	145.60	147.01	143.10	134.98	127.77	120.30	119.23
		144.36	148.07	148.61	147.72	139.19	133.73	126.17	126.17
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	325	325	325	325	332	328	303	305	305
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

