

# Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, April 09, 2010

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

US Slaughter	
414,000—Thursday's	
425,000—Thursday's (year ago)	
US Iowa/Sthrn MN	\$73.91
Western Corn Belt	\$73.96
Daily National Price	\$74.68
Daily Sig3(M.Leaf)	\$135.84
Daily Sig4(M.Leaf)	\$132.82
4-Month Fwd Avg	\$148.90
#1 Export Sows (+500lbs) \$47.50 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0020 CAD / \$0.9980 US	
<b>Cash Prices: Week Ending April 9th, 2010</b>	
61.71/136.04 Signature #3	
58.28/128.48 Signature #4	
59.83/131.90 MPMC Cash	
58.51/129.00 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 packers are pulling back their bids to the point where we have lost most of the large gains we experienced on Tuesday. Packer margins had been squeezed to unprofitable levels, but have since recovered due to both weaker cash bids and higher wholesale pork prices. Yesterday, the pork cut-out gained more than \$2.00/cwt, with strong support coming from all but one lower valued cut. Lean Hog futures have had no clear direction this week, with the erratic cash market influence. Traders will be watching for consistent gains over the next two weeks in order for summer month futures to hold their current value. The Canadian Dollar traded over par value with the US dollar several times this week but has been hesitant to finish any day above this benchmark.

**Canadian delivered soymeal prices opened steady this morning.** Soymeal markets are trading slightly higher this morning, but the lower CDN dollar is offsetting these gains. This morning the USDA released its most recent Supply/Demand Report, which had results in the soybean complex that were smaller than anticipated by the market, but equivalent to the March report.

**Canadian delivered corn prices opened steady this morning.** Corn markets made some gains based on the results of the Supply/Demand Report released this morning. The Report showed slightly smaller ending stocks than was expected by traders, but the number was still 100 million bushels larger than the March report.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		146.64	148.02	150.98	146.38	136.04	130.70	121.94	115.84
		148.94	152.36	151.44	150.06	136.97	135.58	129.32	126.55
(Maple Leaf Sig. #4)		142.81	144.94	147.09	143.53	134.26	129.42	121.92	120.22
		143.70	148.34	148.88	147.81	139.61	134.15	127.81	127.81
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	329	329	328	328	336	332	308	308	308
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

