

# Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, April 12, 2010

Hog Prices: ↓ Soymeal: ↑

Corn: ↔ Cdn Dollar: ↓

US Slaughter	
2.012 Mill—Last Week's	
2.127 Mill—Last Week's (year ago)	
US Iowa/Sthrn MN	74.18
Western Corn Belt	\$73.91
Daily National Price	\$74.96
Daily Sig3(M.Leaf)	\$136.22
Daily Sig4(M.Leaf)	\$133.79
4-Month Fwd Avg	\$146.82
#1 Export Sows (+500lbs) \$47.50cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0055 CAD / \$0.9945 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 lower this morning** US cash prices are starting the week lower as packers are attempting to improve their operating margins before hog supplies start into their seasonal trend. Last week's slaughter was down about 7% from last year as the reduction in last Monday's kill due to Easter made a significant impact on the week's production levels. The Morrell plant in Sioux City, Iowa shut down their slaughtering operations last week, ahead of their intended closing date. The impact on other packers in the area, means slightly more abundant hog supplies, that may allow them to slow the rise of bids normally associated to the tighter hog supplies at this time of year. Forward prices are being influenced in opposite directions by higher Lean Hog futures and a lower Canadian Dollar.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex is trading slightly higher as a direct result of the weaker US dollar against most other foreign currencies. News of a subsidized loan program to Greece is pressuring the US Dollar, allowing all US commodities to be more competitively priced. There are few other fundamentals impacting the market, with widespread soybean planting still a few weeks away.

**Canadian delivered corn prices opened steady this morning.** Corn markets are trading higher this morning as traders speculate on an improvement in export demand, despite weaker crude oil markets. The weather forecast for most of this week could limit these gains as it may allow farmers to make better than average gains in planting progress, which would improve the yield potential of this year's crop.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		146.72	146.72	148.89	145.66	133.67	129.91	121.13	115.40
		147.64	150.41	150.08	148.70	136.18	134.80	128.52	125.75
(Maple Leaf Sig. #4)		141.90	143.68	145.78	142.84	133.55	128.66	121.15	119.82
		142.43	146.32	146.85	146.50	138.91	133.04	127.05	127.05
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	332	332	331	331	337	334	308	306	306
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

