

# Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, April 15, 2010

**Hog Prices:** ↑ **Soymeal:** ↓

**Corn:** ↔ **Cdn Dollar:** ↑

US Slaughter	
406,000—Wednesday's	
426,000—Wednesday's (year ago)	
US Iowa/Sthrn MN	\$77.28
Western Corn Belt	\$76.44
Daily National Price	\$76.16
Daily Sig3(M.Leaf)	\$139.57
Daily Sig4(M.Leaf)	\$134.66
4-Month Fwd Avg	\$147.95
#1 Export Sows (+500lbs) \$48.60 cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9961 CAD / \$1.0039 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.** Cash markets are expected to make further gains this morning after yesterday's trade experienced gains of close to \$3.00/cwt in some regions. Packers are competing for the shrinking supply of hogs and attempting to sway producers who may have previously shipped to Morrell's Sioux City plant to deliver to their operations. Wholesale pork markets continue to make gains in all of the primal cuts with the most strength coming from bellies, ribs and butts. Futures markets are expected to extend their gains from the first half of this week as news that Russia will re-admit US poultry into that country after a months long dispute that blocked imports from the US. This is positive for hog markets as improving poultry prices will trigger less competition, and be positive demand factor for pork.

**Canadian delivered soymeal prices opened lower this morning.** The soybean complex made gains yesterday based largely on speculation that China will continue to source product from the US and that demand will stay strong. Longer term, there is a general belief that China's currency, the Yuan, will be allowed to float against the US Dollar which would likely prove advantageous to US exporters.

**Canadian delivered corn prices opened steady this morning.** Corn markets are seeing increased influence from a good near-term weather outlook, which is expected to aid planting progress at a rate better than the five year average. Offsetting this bearish factor is limited producer selling, resulting in a relatively steady trend.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		147.80	147.80	149.75	147.42	137.14	131.63	122.90	116.67
		148.71	151.46	150.91	149.53	138.06	136.68	130.25	127.50
(Maple Leaf Sig. #4)		142.94	144.72	146.58	144.54	135.30	130.31	122.84	121.01
		143.48	147.15	147.68	147.29	140.63	134.85	128.71	128.71
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	336	336	336	337	345	338	309	312	312
Corn Delivered	145	147	149	151	153	155	157	155	155



## Rothsay Animal Vegetable Feed Fat

**\$558/tonne ↓ (2 – 19 mt)**

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

\*Price quoted is FOB Southeast Manitoba

