

# Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, April 22, 2010

**Hog Prices:** ↓ **Soymeal:** ↑

**Corn:** ↔ **Cdn Dollar:** ↔

<b>US Slaughter</b>	
408,000	—Wednesday's
425,000	—Wednesday's (year ago)
US Iowa/Sthrn MN	\$80.34
Western Corn Belt	\$80.66
Daily National Price	\$80.75
Daily Sig3(M.Leaf)	\$147.61
Daily Sig4(M.Leaf)	\$143.10
4-Month Fwd Avg	\$150.10
#1 Export Sows (+500lbs)	\$50.50 cwt
<b>B of C Ex. Rate (Noon)</b>	
\$ .9984 CAD / \$1.0016 US	
<b>Cash Prices: Week Ending April 16th, 2010</b>	
62.65/138.11	Signature #3
61.14/134.78	Signature #4
61.24/135.00	MPMC Cash
59.42/131.00	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 markets took back some of the gains seen earlier in the week as they continue to trade with no decisive trend with significant volatility. However, wholesale pork prices continue to make steady gains, better than what is normally experienced at this time of year. All of the primal cuts are making strong gains, with the carcass cut-out valued at \$88.41/cwt, more than 30% higher than at this time last year. Lean Hog futures continue to factor in these gains, pushing up into new contract highs. Interestingly, the number of Lean Hog futures contracts held by the large speculators called funds have grown to a record large position in the last several weeks. The Canadian Dollar is still trading better than par value with its US counterpart, as traders believe the Bank of Canada will raise interest rates at the next scheduled meeting in June.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex continues to rally on more ideas of strong demand from China. Soybeans have regained all of their losses since January, largely on speculation that export demand will remain strong and talk that soybean acres in the new crop year could see declines.

**Canadian delivered corn prices opened steady this morning.** Corn markets are being pressured further from the forecast for warm dry weather over the next week. The ideal conditions have the impact of spurring on corn germination and early growth, which better prepares the crop for maximum yields.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range: (Maple Leaf Sig. #3)		153.02	151.18 154.29	152.91 153.74	149.24 152.36	137.31 139.94	133.96 138.56	125.22 132.58	118.21 129.82
(Maple Leaf Sig. #4)		146.40	147.29 149.85	148.78 150.38	145.41 149.67	136.52 141.50	132.04 135.96	124.37 130.43	122.52 130.43
Estimated Hog Margin		19.15	21.79	21.69	19.61	12.12	9.65	5.10	5.0
Soymeal Delivered	357	355	353	354	366	361	337	335	335
Corn Delivered	145	147	149	151	153	155	157	155	155



**Rothsay Animal Vegetable Feed Fat**

**\$588/tonne ↓ (2 – 19 mt)**

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

\*Price quoted is FOB Southeast Manitoba

