

Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237 or visit
www.mpmc.mb.ca & www.spimg.ca

Wednesday, April 28, 2010

Hog Prices: ↑ Soymeal: ↓

Corn: ↑ Cdn Dollar: ↑

US Slaughter	
407,000 – Tuesday's	
415,000- Tuesday's (year ago)	
US Iowa/Sthrn MN	\$84.38
Western Corn Belt	\$84.40
Daily National Price	\$83.26
Daily Sig3(M.Leaf)	\$157.38
Daily Sig4(M.Leaf)	\$150.34
4-Month Fwd Avg	\$149.45
#1 Export Sows (+500lbs) \$50.50 cwt	
B of C Ex. Rate (Noon) \$1.0173CAD / \$0.9827 US	
Cash Prices: Week Ending April 23rd, 2010	
67.36/148.51 Signature #3	
64.60/142.41 Signature #4	
65.54/144.50 MPMC Cash	
63.96/141.00 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. While US cash markets saw strong gains in yesterday's trade, they are also becoming more volatile with large price swings over a week. The pork cut-out moved in the opposite direction yesterday, resulting in a \$5.00/cwt drop in estimated packer margins. Lean Hog futures are also seeing increased volatility with yesterday's trading range being over \$3.00/cwt. The Canadian Dollar dropped well over one cent against the US Dollar yesterday as global investors looked for a safe haven amid the uncertainty with Greece's federal debt. Investors are concerned about the implication to other debt ridden EU countries should Greece default on its debt obligations. The recent currency fluctuations could provide an opportunity to forward price summer and fall months, if the Canadian Dollar sees further weakness.

Canadian delivered soymeal prices opened lower this morning. The soybean complex opened lower this morning reflecting a possible end to the previous upward trend. A strengthening U.S. Dollar worked to decrease global exports, with sellers viewing this as a bearish factor. Record breaking projected U.S. planting is also leading to this weakness.

Canadian delivered corn prices opened higher this morning. Corn markets are experiencing significant gains this morning, despite near record planting progress and a higher U.S. Dollar that could negatively impact export demand over the coming months. However, China announced an unexpected purchase of 100,000 tonnes of corn this week, reflecting the tight supply of feed grains in that country.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range: (Maple Leaf Sig. #3)		151.35	152.03	149.98	137.89	133.99	125.13	117.71	122.85
		154.14	153.98	152.59	140.51	139.11	132.59	129.79	129.87
(Maple Leaf Sig. #4)		147.46	149.02	146.14	137.13	132.09	124.33	122.14	121.68
		149.08	149.92	149.92	142.17	136.52	130.47	130.47	127.12
Estimated Hog Margin	23.55	24.50	24.25	22.77	15.87	13.61	9.08	8.97	9.98
Soymeal Delivered	356	351	353	366	359	333	336	336	333
Corn Delivered	147	149	151	153	155	157	155	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

