

# Hog Margin Outlook

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Friday, April 30, 2010

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

US Slaughter	
402,000 – Thursday's	
411,000- Thursday's (year ago)	
US Iowa/Sthrn MN	\$82.73
Western Corn Belt	\$82.83
Daily National Price	\$84.50
Daily Sig3(M.Leaf)	\$152.65
Daily Sig4(M.Leaf)	\$150.80
4-Month Fwd Avg	\$147.36
#1 Export Sows (+500lbs)	\$50.50 cwt
B of C Ex. Rate (Noon)	
\$1.0054CAD / \$0.9946 US	
Cash Prices: Week Ending April 30th, 2010	
69.28/152.73 Signature #3	
67.40/148.58 Signature #4	
67.79/149.44 MPMC Cash	
65.52/144.44 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 steady this morning.** Cash hog markets are finishing the week near steady compared with where they started, amid huge volatility. Packers had to deal with even wider swings in their operating margins as wholesale pork prices and live hog bids moved in opposite directions almost every day this week, resulting in some erosion of profitability. Lean Hog futures took out some of the premium they hold over the current cash market, but traders still have an optimistic view of prices in large part due to tightening hog supplies. Supplies of competing meats like poultry and beef are also shrinking, resulting in an improvement for the whole meat complex. Less competition from beef and poultry adds certainty that pork will be able to maintain the stronger prices.

**Canadian delivered soymeal prices opened higher this morning.** The soybean complex continued its upward trend yesterday with only a modest increase. This move was supported by a sudden rally in the Dow Jones Industrial Average and gains in crude oil futures. As well, overflow support from increasing corn futures continues to have a bullish influence.

**Canadian delivered corn prices opened steady this morning.** The corn market continues to experience widespread speculation on the influence of China on old crop contracts. Earlier this week China purchased 2 cargos for May delivery, causing traders to speculate that China could be back for more significant purchases in the near future in an effort to keep a cap on higher domestic feed prices in that country.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range: (Maple Leaf Sig. #3)		149.30 152.07	150.07 151.73	147.85 150.34	135.85 138.42	132.32 137.04	123.54 130.93	116.74 128.16	121.84 128.79
(Maple Leaf Sig. #4)		146.18 147.82	147.37 148.36	144.07 148.27	135.13 140.13	130.46 134.49	122.76 128.98	121.12 128.85	120.67 126.06
Estimated Hog Margin	23.55	24.50	24.25	22.77	15.87	13.61	9.08	8.97	9.98
Soymeal Delivered	351	349	351	366	359	335	334	334	330
Corn Delivered	149	151	153	155	157	159	157	157	157

## 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

