

Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, May 03, 2010

Hog Prices: ↑ **Soymeal:** ↑

Corn: ↔ **Cdn Dollar:** ↑

US Slaughter	
2,028,000 – Last Week's	
2,046,000- Last Week's (year ago)	
US Iowa/Sthrn MN	\$82.57
Western Corn Belt	\$82.69
Daily National Price	\$84.33
Daily Sig3(M.Leaf)	\$153.33
Daily Sig4(M.Leaf)	\$151.42
4-Month Fwd Avg	\$151.10
#1 Export Sows (+500lbs)	\$50.50 cwt
B of C Ex. Rate (Noon)	
\$1.0116CAD / \$0.9884 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	

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Forward contract prices opened higher this morning. US cash markets are starting the week higher with packers aggressively competing for the limited number of hogs. Last week's slaughter came in at just over 2 million hogs with Saturday's slaughter estimated at two thousand hogs, a small fraction of last week and last year's. The carcass cut-out provides firm underlying support for packer bids, but there is still very high volatility in both pork and live hog markets. Lean Hog futures rallied to near limit up on Friday, triggered by strong wholesale pork prices and spurred on large speculator buying based on strong bullish indicators. The Canadian Dollar is expected to trade steady to higher this week as the predominant factors - interest rate risk, and commodity prices, both lend support to our currency over the US Dollar.

Canadian delivered soymeal prices opened higher this morning. While the soybean complex is experiencing a sustained upward movement, a bearish supply and demand situation has traders anticipating an end to this trend. Record South American harvests as well as ideal growing conditions in the U.S. are contributing to this expected weakness.

Canadian delivered corn prices opened steady this morning. The corn markets remain steady this morning; however there is an optimistic view regarding the possibility of increased Chinese demand. As well, rain on the weekend slowed planting in the Midwest. This, together with a weakened U.S. Dollar has contributed support for corn futures.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range: (Maple Leaf Sig. #3)		155.26	154.81	151.92	139.79	135.95	127.08	120.03	125.18
		156.66	156.58	155.18	142.40	141.00	134.55	131.75	132.21
(Maple Leaf Sig. #4)		150.62	152.08	148.02	138.98	134.01	126.22	124.40	123.94
		152.44	152.98	152.98	144.04	138.35	132.38	132.38	129.39
Estimated Hog Margin	23.55	24.50	24.25	22.77	15.87	13.61	9.08	8.97	9.98
Soymeal Delivered	352	349	351	370	362	339	337	337	342
Corn Delivered	152	153	155	157	159	161	159	159	159



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

