



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237
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Wednesday, August 12, 2009

Hog Prices: ↓↑

Soymeal: ↓

Corn: ↓

Cdn Dollar: ↓

Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash markets are burdened by growing supplies of live hogs and increased competition from poultry and beef. Daily slaughter levels have been running over 420,000 hogs, which is likely to push the weekly slaughter well over 2.1 million hogs. At the same time, wholesale pork prices are under pressure, with almost all of the primal cuts seeing weakness. Compared to last year at this time, US cash prices are trading nearly 50% lower. Lean Hog futures are finding little support, seeing weakness from both fundamental and technical analysis. The Canadian Dollar is providing some relief to hog prices, trading under US\$0.92 on softer commodity and equity markets.

Canadian delivered soymeal prices opened lower this morning. Soybean futures were at a standstill overnight, closing half a cent lower, as traders awaited this morning's WASDE Report. Results are in line with expectations—with soybeans seeing a marginal increase in acres, and a 0.9 bushel per acre decrease in yield. This leaves the projected ending stocks down 40 million bushels.

Canadian delivered corn prices opened lower this morning. Corn should see a move lower today, as the WASDE Report showed a 6.1 bushel per acre increase from last month's report. Yield per harvested acre now sits at 159.5, above analysts' predictions going into this report. 2009/2010 ending stocks are estimated at 1.621 billion bushels, a 71 million bushel increase from the last report.

US Slaughter	
428,000—Tuesday's	
426,000—Tuesday's (Year Ago)	
US Iowa/Sthrn MN	\$45.55
Western Corn Belt	\$46.10
Daily National Price	\$53.49
Daily Sig #3 Est. (M.Leaf)	\$92.85
Daily Sig #4 Est. (M.Leaf)	\$104.32
B of C Ex. Rate (Noon)	
\$1.0988 CAD / \$0.9101 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending August 7th, 2009	
45.58 / 100.48 Signature #3	
50.37 / 111.04 Signature #4	
44.22 / 97.48 MPMC Cash	
41.61 / 91.74 Springhill	

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	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range		84.47	82.71	75.43	77.61	88.71	99.51	99.47	106.03
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		87.26	86.55	81.49	84.18	98.80	103.04	103.04	117.43
Estimated Hog Margin	-28.03	-32.52	-29.05	-30.39	-26.27	-17.19	-12.55	-11.80	-6.21
Soymeal Delivered	498	531	410	410	410	402	403	403	399
Corn Delivered	149	152	155	149	151	153	155	157	159

Rothsay Animal Vegetable Feed Fat

\$580/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

