



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, August 18, 2009

Hog Prices: ↓↑

Soymeal: ↓

Corn: ↓

Cdn Dollar: ↑

Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash markets started the week steady with last week's close as packer margins are profitable and packers are content to add hours to their slaughter schedules to deal with huge supplies. Wholesale pork prices saw some strength, but are expected to come under pressure due to the heavy supplies from last week hitting the market. Lean Hog futures are trading very close to the levels currently available in the US cash market, while the October and December contracts typically trade at about an \$8.00/cwt discount to cash prices, reflecting the expectation of an 8%-10% increase in supply. Weaker crude oil prices contributed to the Canadian Dollar dropping to just above \$0.90US yesterday. Forward contract prices improved yesterday, reflecting the firmer Lean Hog prices and our weaker currency.

Canadian delivered soymeal prices opened lower this morning. Soymeal futures continued their move downward from yesterday into the overnight session. Yesterday's USDA Crop Condition Report showed 66% of the crop as good/excellent—unchanged from last week. Blooming is slightly behind, but pod setting has only reached 72%, which is 13% lower than the 5-year average.

Canadian delivered corn prices opened lower this morning. Corn closed slightly lower overnight, despite a lower US Dollar and higher crude oil pricing. Crop conditions remain stable, with 68% rated as good/excellent. Silking is relatively on track with the average, but only 40% of the crop is in the dough stage—versus the 5-year average of 64%.

US Slaughter	
430,000—Monday's	
427,000—Monday's (Year Ago)	
US Iowa/Sthrn MN	\$46.24
Western Corn Belt	\$46.45
Daily National Price	\$51.01
Daily Sig #3 Est. (M.Leaf)	\$94.33
Daily Sig #4 Est. (M.Leaf)	\$100.32
B of C Ex. Rate (Noon)	
\$1.1079 CAD / \$0.9026 US	
Cash Price (\$/cwt/kg)	
Cash prices for week ending August 14th, 2009	
41.94 / 92.45 Signature #3	
47.11 / 103.85 Signature #4	
40.57 / 89.45 MPMC Cash	
38.00 / 83.77 Springhill	

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	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range		86.50	82.94	75.73	76.07	87.21	98.35	100.38	106.96
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		87.52	85.49	81.83	82.84	97.34	102.40	102.40	117.09
Estimated Hog Margin	-28.79	-35.14	-31.18	-31.59	-25.02	-13.65	-8.88	-8.15	-2.12
Soymeal Delivered	473	503	381	381	381	380	379	379	379
Corn Delivered	149	152	155	149	151	153	155	157	159

Rothsay Animal Vegetable Feed Fat

\$625/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

