



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, August 21, 2009

Hog Prices: ↑

Soymeal: ↑

Corn: ↑

Cdn Dollar: ↑

Manitoba Pork Marketing's forward contract prices opened higher this morning. Cash mar-

kets are finishing the week firmer despite the huge run of hogs hitting

the market. This week's kill is on pace to be the largest on record for the third week of August, estimated at over 2.2 million hogs. Wholesale pork prices eroded by about US\$3.00/cwt over the week, as product from last week's slaughter weighed heavy on the market. October and December Lean Hog futures seem content to match gains made in the cash market this week, however further upside next week seems limited due to tighter packer margins and the fact that these 4th Quarter contracts are not discounted from the cash market. This fall's forward contract prices have improved by about \$3.00/kg compared to earlier this week due to improved futures prices, however, a higher Canadian Dollar has tempered these gains.

Weekly Comparison

WCB Cash (cwt)	+ \$1.48
ISM Cash (cwt)	+ \$1.79
Forward Prices (ckg)+/-	\$ 4-6
CDN Dollar (Per US\$)	- 0.0042

US Slaughter	
430,000—Thursday's	
434,000—Thursday's (Year Ago)	
US Iowa/Sthrn MN	\$47.24
Western Corn Belt	\$47.22
Daily National Price	\$51.39
Daily Sig #3 Est. (M.Leaf)	\$94.36
Daily Sig #4 Est. (M.Leaf)	\$99.45
B of C Ex. Rate (Noon)	
\$1.0902 CAD / \$0.9173 US	
Cash Price (\$/cwt/kg)	
Cash prices for week ending August 21st, 2009	
42.86 / 94.50 Signature #3	
45.50 / 100.30 Signature #4	
41.50 / 91.50 MPMC Cash	
38.88 / 85.72 Springhill	

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Canadian delivered soymeal prices opened higher this morning. A weaker US Dollar helped the soy complex rally sharply in the overnight session. The extended forecast for major US soybean areas is showing above normal precipitation starting mid next week. The Canadian Dollar is making strong gains this morning, nearing \$0.93US.

Canadian delivered corn prices opened higher this morning. After closing marginally lower yesterday, corn futures rallied overnight—receiving support from the lower US Dollar, higher crude oil pricing, and minimal selling. Favourable weather and negative consumer data are helping to sustain an underlying bearish tone. Cash is unchanged from a week ago.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range		90.58	87.09	79.21	76.91	87.88	96.46	98.45	104.93
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		91.58	89.58	85.19	86.19	97.86	101.85	100.45	115.40
Estimated Hog Margin	-30.80	-32.07	-28.36	-28.59	-24.50	-13.76	-9.55	-8.78	-2.70
Soymeal Delivered	488	516	390	390	390	373	370	370	372
Corn Delivered	152	155	158	152	154	156	158	160	162

Please Join Us In Celebrating MPMC's New Assembly Yard Located at Winnipeg Livestock
(Highway #6 & Provincial Road 236)
Friday, August 28th 2009
12:00 Noon to 3:00 PM

Lunch Will Be Served