



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, August 26, 2009

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

US Slaughter	
422,000—Tuesday's	
432,000—Tuesday's (Year Ago)	
US Iowa/Sthrn MN	\$45.73
Western Corn Belt	\$45.81
Daily National Price	\$51.37
Daily Sig #3 Est. (M.Leaf)	\$90.54
Daily Sig #4 Est. (M.Leaf)	\$98.32
B of C Ex. Rate (Noon)	
\$1.0782 CAD / \$0.9275 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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Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets are holding steady despite another strong showing for the pork cut-out. Estimated packer profit margins are running near \$20.00/hog, among the highest levels that we have seen this year. The significant improvement in wholesale pork prices are difficult to rationalize, but most of the gains are coming from the ham primal, which has increased in value by 25% in the last three days. Consequently, Lean Hog futures are seeing some strength as there is greater optimism for cash prices in the 4th Quarter by some traders. Producers should consider this a pricing opportunity for a portion of their 4th Quarter production, as supplies will continue to be abundant, while export demand is unlikely to make dramatic improvements.

Canadian delivered soymeal prices opened higher this morning. Old crop soymeal rallied sharply yesterday, pushing cash soymeal well above \$500/MT. Considering the lateness of this year's crop, old crop is likely to continue its move upwards and producers should take advantage of any dips below \$500/MT nearby. The Canadian Dollar is trading just above \$0.91US this morning, decreasing buying power and further amplifying the recent gains for soymeal.

Canadian delivered corn prices opened lower this morning. Corn futures saw sharp losses yesterday, but managed to trade only marginally lower overnight, despite a higher US Dollar. Crude oil is down sharply today following yesterday's steep drop, and looks poised to break below \$70US, further adding to the bearish tone for corn futures.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		90.67	86.50 -	77.55 -	77.06 -	86.01 -	97.04 -	99.04 -	105.51 -
			89.68	83.51	84.51	95.95	101.02	101.03	116.64
Estimated Hog Margin	-30.80	-32.07	-28.36	-28.59	-24.50	-13.76	-9.55	-8.78	-2.70
Soymeal Delivered	530	546	400	400	400	389	390	390	387
Corn Delivered	150	153	156	150	152	154	156	158	160

**Please Join Us In Celebrating
The Grand Opening Of...**

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