



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, August 27, 2009

Hog Prices: ↑

Soymeal: ↑

Corn: ↔

Cdn Dollar: ↓

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets are trading near steady with levels seen earlier this week despite the significant improvement in wholesale pork prices over the same timeframe. Packers have watched their margins double over the last several weeks as wholesale prices for hams, bellies and ribs have all made gains. The rally in pork prices is unexpected as recent slaughter levels have been at or near record for this time of year, while carcass weights continue to run about ten pounds heavier than last year. Lean Hog futures took back some of the gains made earlier in the week, but still maintain a premium to the cash market. Forward contract prices for the 4th Quarter are trading between \$5-\$12/kg lower than cash prices, while the average is closer to a \$20/kg discount.

Canadian delivered soymeal prices opened higher this morning. Basis changes have led to a steep jump in old crop meal pricing. Several Minnesota mills are having an increasingly difficult time sourcing soybeans and may consider shutting down production for a week in early September. If these shutdowns materialize, old crop meal pricing could rise rapidly as plants start to run down their reserves.

Canadian delivered corn prices opened steady this morning. The underlying tone for corn futures remains bearish as the US Dollar moves higher and with lower crude oil pricing. The long range forecast is adding to this negative tone, despite the cooler temperatures forecasted for the Corn Belt this weekend—frost is not expected.

US Slaughter	
421,000—Wednesday's	
435,000—Wednesday's (Year Ago)	
US Iowa/Sthrn MN	\$45.40
Western Corn Belt	\$45.73
Daily National Price	\$51.10
Daily Sig #3 Est. (M.Leaf)	\$92.13
Daily Sig #4 Est. (M.Leaf)	\$99.70
B of C Ex. Rate (Noon)	
\$1.0991 CAD / \$0.9198 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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	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		91.99	86.85 -	77.80 -	78.11 -	87.17 -	98.08 -	100.11 -	106.66 -
			90.98	83.84	84.84	97.23	102.10	102.13	118.50
Estimated Hog Margin	-30.80	-32.07	-28.36	-28.59	-24.50	-13.76	-9.55	-8.78	-2.70
Soymeal Delivered	550	566	408	408	408	394	387	387	387
Corn Delivered	150	153	156	150	152	154	156	158	160



Rothsay Animal Vegetable Feed Fat

\$560/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

