



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, August 28, 2009

Hog Prices: ↓↑

Soymeal: ↑

Corn: ↓

Cdn Dollar: ↓

Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash mar-

kets are finishing the week near steady with last Friday, despite an

impressive surge in wholesale pork prices. As a result of the improved pork cut-out, estimated packer margins have surged to the highest level so far this year, approaching \$25/hog. This week's slaughter is expected to be more in line with USDA projections of about 2.25 million hogs, however, carcass weights continue to exceed last year's levels by more than 5 pounds. Lean Hog futures are reacting cautiously to the surprising improvement in cash market fundamentals with the nearby contracts holding a slight premium to the cash market. The Canadian Dollar is ending the week in the middle of its range, after the Bank of Canada has again threatened to increase the money supply in an effort to weaken our currency.

Canadian delivered soymeal prices opened higher this morning. Soymeal saw large gains throughout the week, with

basis changes, a lower Canadian Dollar and sharp rallies for the soy complex. Cash soymeal is now sitting roughly \$90/MT higher than last Friday. The tone for old crop soymeal remains strongly bullish, as on-farm supplies wind down and with this year's soybean crop behind schedule.

Canadian delivered corn prices opened lower this morning. Corn futures traded higher in the overnight session,

supported by yesterday's sharp gains for crude oil and a lower US Dollar. The long range weather forecast has alleviated concerns of an early frost for the time being, but any hint of a cooling trend for in the near future could quickly drive up prices.

Weekly Comparison

WCB Cash (cwt)	- \$1.39
ISM Cash (cwt)	- \$1.61
Forward Prices (ckg)+/-	\$1-2
CDN Dollar (Per US\$)	- 0.0049

US Slaughter

426,000—Thursday's

432,000—Thursday's
(Year Ago)

US Iowa/Sthrn MN \$45.63

Western Corn Belt \$45.83

Daily National Price \$50.92

Daily Sig #3 Est. (M.Leaf)
\$92.11

Daily Sig #4 Est. (M.Leaf)
\$99.07

B of C Ex. Rate (Noon)
\$1.0960 CAD / \$0.9124 US

Cash Price (\$/cwt/ckg)
Cash prices for week ending
August 28th, 2009

41.66 / 91.85 Signature #3

44.68 / 98.51 Signature #4

40.30 / 88.85 MPMC Cash

37.78 / 83.28 Springhill

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	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range		86.94	78.03	78.20	87.14	98.07	100.08	106.54	122.25
(Maple Leaf Sig. #3)	92.39	-	-	-	-	-	-	-	-
		91.40	83.97	84.96	97.08	102.05	102.07	118.27	129.70
Estimated Hog Margin	-31.31	-28.28	-29.88	-25.40	-14.98	-9.54	-8.09	-1.45	8.10
Soymeal Delivered	581	596/408	408	408	387	383	383	384	384
Corn Delivered	151	154	151	153	155	157	159	161	163

TODAY

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

Lunch Will Be Served

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