



# Hog Margin Outlook

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Friday, September 04, 2009

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

**Manitoba Pork Marketing's forward contract prices opened lower this morning.** US cash hog markets finished the week stronger, with gains in some markets taking prices back over the \$50/cwt level. Packer margins have moved from exceptional to average as packers have been attempting an expanded kill schedule this week, while pork prices have come under pressure. October Lean Hog futures are seeing weakness this morning, but still trading close to \$5.00/cwt higher than the lows experienced in the last 10 days. Influence from the weaker cash market is expected to pressure the nearby contract values into next week. The Canadian Dollar dropped steadily this week, but is trading slightly higher on a recovery in the stock market this morning.

<u>Weekly Comparison</u>	
WCB Cash (cwt)	+ \$3.81
ISM Cash (cwt)	+ \$3.86
Forward Prices (ckg)	+ \$3-5
CDN Dollar (Per US\$)	- 0.0131

<b>US Slaughter</b>	
431,000—Thursday's	
434,000—Thursday's (Year Ago)	
US Iowa/Sthrn MN	\$49.49
Western Corn Belt	\$49.64
Daily National Price	\$52.33
Daily Sig #3 Est. (M.Leaf)	\$100.40
Daily Sig #4 Est. (M.Leaf)	\$102.49
<b>B of C Ex. Rate (Noon)</b>	
\$1.1034 CAD / \$0.9063 US	
<b>Cash Price (\$/cwt/ckg)</b>	
Cash prices for week ending September 4th, 2009	
44.42 / 97.92 Signature #3	
45.52 / 100.35 Signature #4	
43.06 / 94.92 MPMC Cash	
39.99 / 88.17 Springhill	

**Canadian delivered soymeal prices opened lower this morning.** Weakness in the soy complex and a basis change have helped bring the cash price below \$500/MT this morning. The 12 month average for new crop soymeal is sitting at \$380/MT. Weather outlook remains favourable, but cooler temperatures are now expected by mid-September—which could resurface the issue of an early frost.

**Canadian delivered corn prices opened lower this morning.** Corn futures saw losses yesterday, which continued into the overnight session. A stronger Canadian Dollar (opening around \$0.9175US) is helping bring the cash price down this morning to the lowest price seen this year.

*This information is intended to help you make your own pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of MPMC.*

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range		92.91	84.15	81.88	90.99	101.67	103.73	110.31	124.62
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		95.44	90.22	91.23	101.10	105.82	105.75	120.57	132.21
Estimated Hog Margin	-28.28	-25.58	-26.89	-22.51	-12.62	-7.52	-6.43	-0.28	9.03
Soymeal Delivered	489	383	383	383	383	377	375	375	375
Corn Delivered	148	151	148	150	152	154	156	158	160



## Rothsay Animal Vegetable Feed Fat

\$553/tonne ↓ (2 – 19 mt)

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

\*Price quoted is FOB Southeast Manitoba

