



# Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, September 09, 2009

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

<b>US Slaughter</b>	
432,000—Tuesday's	
430,000—Tuesday's (Year Ago)	
US Iowa/Sthrn MN	\$49.83
Western Corn Belt	\$50.27
Daily National Price	\$52.32
Daily Sig #3 Est. (M.Leaf)	\$99.18
Daily Sig #4 Est. (M.Leaf)	\$99.95
<b>B of C Ex. Rate (Noon)</b>	
\$1.0764 CAD / \$0.9290 US	
<b>Cash Price (S/cwt/kg)</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	

*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.*

**Manitoba Pork Marketing's forward contract prices opened higher this morning.** US cash markets are trading steady this morning as good packer demand is being offset by a large run of marketings, partially due to the impact of Labor Day. Pork prices are holding up to provide some rationale for packers to expand their schedules amid the abundant supplies, however, margins have shrunk to about half the levels seen two weeks ago. USDA quoted sow slaughter for the week ending August 22 at over 70,000 sows, an increase of close to 5% over last year's levels. Lean Hog futures are receiving this news positively, as the deferred month contracts have seen a slight recovery in value over the last couple of days. The Canadian Dollar is holding its value after surging yesterday, following higher commodity markets and a common belief that the Bank of Canada's policy statement (released tomorrow) will provide little rationale to weaken our currency.

**Canadian delivered soymeal prices opened lower this morning.** The soy complex saw strong gains yesterday, but with the support from outside markets removed in the overnight session, traded noticeably lower. The USDA Crop Conditions Report showed 68% of the crop is considered to be good/excellent—down 1% from last week. Only 11% of the crop is dropping leaves, 11% behind the 5-year average.

**Canadian delivered corn prices opened lower this morning.** Higher crude oil pricing and a lower US Dollar couldn't offset underlying bearish factors for corn futures overnight, with corn closing lower. Crop conditions are unchanged, with 69% rated as good/excellent. Roughly 50% of the crop is now in the dent stage, well below the 5-year average of 75%.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range		92.41	83.49	82.03	90.95	102.15	104.16	110.60	123.33
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		94.69	89.44	90.43	100.86	106.11	106.14	119.37	130.76
Estimated Hog Margin	-28.28	-25.58	-26.89	-22.51	-12.62	-7.52	-6.43	-0.28	9.03
Soymeal Delivered	509	378	378	378	373	373	373	376	376
Corn Delivered	144	147	144	146	148	150	152	154	156

## 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

