



# Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, September 10, 2009

Hog Prices: ↑

Soymeal: ↔

Corn: ↔

Cdn Dollar: ↓

**Manitoba Pork Marketing's forward contract prices opened higher this morning.** Some US packers are still looking to fill their expanded slaughter schedules and are forcing higher cash bids in almost every cash market region. Packer margins have been holding steady at a moderately profitable level, as wholesale pork prices have improved in line with the cash market. Specifically, loins and bellies are seeing strength, while hams and ribs have been losing value. Lean Hog futures have seen steady gains so far this week with the increase in the sow slaughter helping the deferred month contracts make significant gains yesterday. February-April forward contract prices jumped by about \$5.00/ckg yesterday as the corresponding Lean Hog futures surged on ideas of a continued liquidation of the US breeding herd.

**Canadian delivered soymeal prices opened steady this morning.** News remains sparse, limiting movement ahead of tomorrow's WASDE Report. Traders are anticipating a mild adjustment up for yield due to this recent stretch of above seasonal temperatures, which is helping to maintain the bearish tone for new crop soybeans.

**Canadian delivered corn prices opened steady this morning.** Despite a sharp rally in crude oil starting earlier this week, corn futures have only traded moderately higher. Traders are expecting the USDA to adjust the yield to the highest average on record, and with the risk of substantial damage from the first frost easing—corn futures continue to show weakness.

<b>US Slaughter</b>	
427,000—Wednesday's	
433,000—Wednesday's (Year Ago)	
US Iowa/Sthrn MN	\$50.96
Western Corn Belt	\$51.01
Daily National Price	\$53.57
Daily Sig #3 Est. (M.Leaf)	\$100.86
Daily Sig #4 Est. (M.Leaf)	\$102.57
<b>B of C Ex. Rate (Noon)</b>	
\$1.0787 CAD / \$0.9270 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	

*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		93.61	84.72	85.40	94.32	105.95	107.97	114.41	126.86
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-28.28	-25.58	-26.89	-22.51	-12.62	-7.52	-6.43	-0.28	9.03
Soymeal Delivered	509	383	378	378	377	375	375	376	376
Corn Delivered	144	147	144	146	148	150	152	154	156

## Rothsay Animal Vegetable Feed Fat

\$533/tonne ↓ (2 – 19 mt)

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

\*Price quoted is FOB Southeast Manitoba

