



Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, September 11, 2009

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

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets finished off the week remarkably firm, despite packers dealing with abundant supplies to fill out their holiday reduced slaughter schedule. Wholesale pork prices have provided a support to packer bids, as good profitability has had packers competing for live supplies. Lean Hog futures have benefitted directly from the improved cash market fundamentals with some contracts gaining more than 8% over week ago levels. Traders have been quick to reward the market with higher bids for the deferred month contracts. There are strong indications of a significant liquidation to the US breeding herd as sow slaughter is up about 5% over last year. The Canadian Dollar saw little impact from yesterday's Bank of Canada rate decision and policy statement. The Bank is taking no direct action to target the economic impact of the high Canadian Dollar.

<u>Weekly Comparison</u>	
WCB Cash (cwt)	+ \$1.14
ISM Cash (cwt)	+ \$0.99
Forward Prices (ckg)	+ \$2-5
CDN Dollar (Per US\$)	+ 0 .0186

US Slaughter	
432,000—Thursday's	
429,000—Thursday's (Year Ago)	
US Iowa/Sthrn MN	\$50.48
Western Corn Belt	\$50.78
Daily National Price	\$53.73
Daily Sig #3 Est. (M.Leaf)	\$100.64
Daily Sig #4 Est. (M.Leaf)	\$103.11
B of C Ex. Rate (Noon)	
\$1.0812 CAD / \$0.9249 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending September 11th, 2009	
45.32 / 99.92 Signature #3	
46.22 / 101.89 Signature #4	
44.17 / 97.37 MPMC Cash	
41.60 / 91.71 Springhill	

Canadian delivered soymeal prices opened lower this morning. Today's WASDE Report is helping set a negative tone for the soy complex. Production for this year is estimated to be up by 46 million bushels, leaving total yield at 3.245 billion bushels—in line with expectations. A 12 month average for soymeal is now roughly \$370/MT, down from last week.

Canadian delivered corn prices opened lower this morning. Estimated corn yield broke its previous record of 160.3 bpa, coming in at 161.9 bpa. Production estimates are higher than analysts' predictions, sitting at 12.954 billion bushels. A stronger Canadian Dollar is amplifying corn's negative tone, lowering the cash price to the lowest level since Fall 2006.

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	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range		94.51	85.62	85.52	94.41	106.02	108.03	114.46	128.07
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-26.60	-22.44	-22.65	-17.71	-8.21	-2.77	-1.40	3.92	12.43
Soymeal Delivered	494	369	363	363	372	372	372	369	369
Corn Delivered	143	146	143	145	147	149	151	153	155

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

