



Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, September 14, 2009

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

Manitoba Pork Marketing's forward contract prices opened lower this morning. US cash markets are starting the week lower, with packers stepping back from their bids of last week due to their operating margins coming under pressure. Last week's slaughter was just over 2 million hogs as the Labor Day holiday cut into production. Live supplies are abundant for this week and numbers will continue growing over the month with increases of about 25,000 hogs per week. Lean Hog futures are trading higher this morning, but any significant gains will be contingent on a rally in the cash market, which appears unlikely. The Canadian Dollar is trading lower compared to Friday, the Loonie is seeing influence from a higher US Dollar—forced by concerns for a possible developing trade dispute between the US and China.

Canadian delivered soymeal prices opened lower this morning. After trading sharply lower on Friday, a stronger US Dollar and weakness in outside markets helped the soy complex trade lower again overnight. A favourable short-term weather outlook is helping to maintain selling pressure on soybeans. The 12 month average for new crop soymeal is roughly \$364/MT at open.

Canadian delivered corn prices opened steady this morning. Corn futures closed lower overnight, with weakness coming from crude oil trading below \$70US. Traders are paying close attention to the addition of cooler temperatures mid-next week, but will likely wait for those temperatures to be part of a short-term forecast before building a premium into the market for frost.

US Slaughter	
2.050 Mill—Last Week's	
2.296 Mill—Last Week's (Year Ago)	
US Iowa/Sthrn MN	\$49.99
Western Corn Belt	\$50.54
Daily National Price	\$53.68
Daily Sig #3 Est. (M.Leaf)	\$99.55
Daily Sig #4 Est. (M.Leaf)	\$102.39
B of C Ex. Rate (Noon)	
\$1.0746 CAD / \$.9306 US	
Cash Price (S/cwt/kg)	
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	

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	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range		92.17	83.19	81.82	90.71	101.86	103.85	110.26	124.38
(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	472	367	361	361	364	365	365	366	366
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

