



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237
or visit www.mpmc.mb.ca

Tuesday, September 15, 2009

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

US Slaughter	
429,000—Monday's	
427,000—Monday's (Year Ago)	
US Iowa/Sthrn MN	\$49.41
Western Corn Belt	\$49.79
Daily National Price	\$53.78
Daily Sig #3 Est. (M.Leaf)	\$99.09
Daily Sig #4 Est. (M.Leaf)	\$103.65
B of C Ex. Rate (Noon)	
\$1.0857 CAD / \$0.9211 US	
Cash Price (\$/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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Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash markets are expected to trade lower this morning, as packers are finding it relatively easy to find live supplies to meet their slaughter schedule. Packers will be looking at adding hours to this Saturday's slaughter as supply is abundant and a recent improvement in wholesale pork prices has improved margins. Yesterday's carcass cut-out increased by about \$2.50/cwt, due to a 10% jump in loin prices, and gains in most every other primal cut. Seasonal trends in pork prices are typically bearish at this time of year reflecting the increased supplies; however, in recent weeks prices have been surprisingly firm. October and December Lean Hog futures reduced the premium that they held over the current cash market, but still reflect a nearly steady cash market trend over the next 3 months.

Canadian delivered soymeal prices opened mixed this morning. Yesterday's USDA Crop Conditions Report showed that only 17% of the soybean crop is dropping leaves, well behind the 5-year average of 36%. Conditions remained unchanged, with 68% of the crop still rated as good/excellent. The Canadian Dollar is opening higher this morning, trading around \$0.9260US—increasing purchasing power.

Canadian delivered corn prices opened higher this morning. Corn traded higher in the overnight session, with the slow progress of this year's crop brought to the forefront by cooler long-range temperatures. As of Sunday, only 12% of the crop had reached maturity, which is a staggering 25% below the 5-year average of 37%.

	Sep.	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range		91.41	82.46	82.48	91.43	102.66	104.66	111.12	124.53
(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	447	373	368	368	368	367	367	369	369
Corn Delivered	148	151	148	150	152	154	156	158	160



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