



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, September 16, 2009

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

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets continue to make steady gains this week, in contrast with the bearish price trends normally seen at this time of year. The pork cut-out made another significant jump yesterday, improving estimated packer margins to more than \$14/hog. The USDA released its July trade data earlier this week, surprising traders with higher than expected numbers. Pork exports were down only about 12% compared to 2008, but they maintained an increase over 2007 levels by about 62%. Lean Hog futures reacted positively to the news, with all of the contracts finishing yesterday with gains near limit up. Producers looking to mitigate some of their price risk for the winter months should consider the recent rally as a good pricing opportunity, as other fundamentals remain far from favourable.

Canadian delivered soymeal prices opened higher this morning. Soymeal rallied sharply yesterday, fuelled by the inclusion of below normal temperatures and a possibility of frost late next week. The soy complex saw slight losses in the overnight session, despite a lower US Dollar. The Canadian Dollar is trading above \$0.93US, after a Statscan Report showed manufacturing growth for July.

Canadian delivered corn prices opened higher this morning. Corn futures saw massive gains yesterday, also influenced by the risk of frost—which could majorly curtail recent yield adjustments. Corn saw mild losses overnight, but not enough to erase yesterday's gains.

US Slaughter	
425,000—Tuesday's	
430,000—Tuesday's (Year Ago)	
US Iowa/Sthrn MN	\$50.04
Western Corn Belt	\$50.12
Daily National Price	\$53.95
Daily Sig #3 Est. (M.Leaf)	\$98.88
Daily Sig #4 Est. (M.Leaf)	\$103.08
B of C Ex. Rate (Noon)	
\$1.0763 CAD / \$0.9291 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	

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		96.97	88.03	86.97	95.83	106.16	108.12	114.52	127.51
(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	454	381	377	377	377	380	380	378	378
Corn Delivered	155	158	155	157	159	161	163	165	167

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

