



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, September 18, 2009

Hog Prices: ↓

Soymeal: ↓↑

Corn: ↑

Cdn Dollar: ↑

Manitoba Pork Marketing's forward contract prices opened lower this morning.

US packers have pulled back on their bids at the end of this week as they have

most of the Saturday kill requirements covered due to abundant supplies and higher bids. Wholesale pork prices have seen significant price fluctuations over the last two weeks, but have been able to maintain most of the gains that they experienced earlier this week. Lean Hog futures represent good value given that all of the winter month contracts are trading better than the current cash market. Typically, these contracts would trade at a discount as hog supplies through the winter months normally average about 50,000 to 100,000 more hogs per week than at this time of year. The Canadian Dollar surged higher this week as oil prices and evidence of a low risk of inflation had global investors buying our currency.

Canadian delivered soymeal prices opened mixed this morning. After a sharp weather fuelled rally Tuesday, soybeans have traded lower through the latter half of the week. Despite a higher Canadian Dollar, the 12-month average for new crop soymeal is up roughly \$6/MT from last Friday as gains early in the week have yet to be overcome.

Canadian delivered corn prices opened higher this morning. Recent changes to the long range weather outlook have renewed a bearish tone for corn futures. Frost is now out of the forecast for the next 10 days, at which point a large portion of the US corn crop should have reached maturity.

Weekly Comparison

WCB Cash (cwt)	+ \$1.31
ISM Cash (cwt)	+ \$1.59
Forward Prices (ckg)	- \$0-2
CDN Dollar (Per US\$)	+ 0 .0173

US Slaughter	
432,000—Thursday's	
436,000—Thursday's (Year Ago)	
US Iowa/Sthrn MN	\$52.07
Western Corn Belt	\$52.09
Daily National Price	\$54.15
Daily Sig #3 Est. (M.Leaf)	\$101.33
Daily Sig #4 Est. (M.Leaf)	\$102.01
B of C Ex. Rate (Noon)	
\$1.0613 CAD / \$0.9422 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending September 18th, 2009	
45.31 / 99.90 Signature #3	
46.57 / 102.66 Signature #4	
44.30 / 97.66 MPMC Cash	
41.49 / 91.46 Springhill	

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	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range		94.05	85.26	85.66	94.45	105.37	107.34	113.68	126.17
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		95.02	91.12	92.09	104.20	109.28	109.29	122.27	133.49
Estimated Hog Margin	-25.37	-21.56	-21.48	-16.68	-8.56	-3.58	-2.56	2.89	11.49
Soymeal Delivered	429	381	372	372	373	374	374	376	376
Corn Delivered	148	151	148	150	152	154	156	158	160

Rothsay Animal Vegetable Feed Fat

\$528/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

