



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, September 25, 2009

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

Manitoba Pork Marketing's forward contract prices opened higher this morning. Cash markets trended lower this week with the abundant supplies allowing packers to pull back on their bids without an adverse impact on their ability to meet the Saturday slaughter requirements. Wholesale pork prices dropped faster than cash

<u>Weekly Comparison</u>	
WCB Cash (cwt)	- \$2.58
ISM Cash (cwt)	- \$2.87
Forward Prices (ckg)	- \$1-2
CDN Dollar (Per US\$)	- 0 .0222

<u>US Slaughter</u>	
432,000—Thursday's	
434,000—Thursday's (Year Ago)	
US Iowa/Sthrn MN	\$49.20
Western Corn Belt	\$49.51
Daily National Price	\$54.38
Daily Sig #3(M.Leaf)	\$98.64
Daily Sig #4(M.Leaf)	\$104.90
#1 Export Sows (+500lbs) \$20.05/cwt	
B of C Ex. Rate (Noon) \$1.0869 CAD / \$0.9200 US	
Cash Price (\$/cwt/ckg) Cash prices for week ending September 25th, 2009	
44.98 / 98.95 Signature #3	
47.18 / 104.01 Signature #4	
44.28 / 97.61 MPMC Cash	
40.82 / 89.99 Springhill	

hog bids, resulting in estimated packer margins dropping to just under \$8.00 per hog and approaching their breakeven. The USDA will release their 3rd Quarter Hogs and Pigs Report this afternoon, which is highly anticipated by the whole industry. Of particular interest in today's Report is the degree to which the breeding herd has shrunk compared to last year's levels.

<u>Avg Industry Estimate</u>	
All hogs Sep 1	98.3
Kept for breeding	97.3
Kept for market	98.3
Jun—Aug pig crop	98.2

Canadian delivered soymeal prices opened higher this morning. A basis change due to concerns of a delayed harvest from wet weather this upcoming weekend in the US has pushed old crop above \$400/MT. The Canadian Dollar is trading around \$.9150US this morning, decreasing purchasing power and upping the 12 month average to \$369/MT. Producers are reminded that truck availability around harvest can be tight and are encouraged to book well in advance to help ensure delivery dates.

Canadian delivered corn prices opened higher this morning. Corn saw another rally yesterday and closed marginally higher overnight. Despite weakness in crude oil pricing (trading near \$65US overnight), corn is receiving bullish support from fund buying, and increasing feed prices in China.

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 (Maple Leaf Sig. #3)		92.04	83.06 -	83.42 -	92.41 -	103.90 -	105.91 -	112.41 -	125.40 -
Estimated Hog Margin	-24.45	-22.15	-21.88	-17.27	-9.73	-4.34	-3.16	2.11	10.52
Soymeal Delivered	406	406/391	369	369	369	364	364	368	368
Corn Delivered	156	159	156	158	160	162	164	166	168



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