



Hog Margin Outlook

Meeting Your Marketing Needs

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or visit www.mpmc.mb.ca

Monday, September 28, 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, as packers saw their margins squeezed by weaker wholesale pork prices. Packers will use the results of Friday's Hogs and Pigs

Report to help with scheduling the coming weeks' slaughter. This could result in larger than usual weekly kills, due to the unexpectedly large quantity of market hogs in the heaviest categories. The most anticipated number by industry participants was the Kept for Breeding Category, which showed a 3% decline compared to last year. This number showed a larger than expected drop compared to average industry estimates, which pegged the decline in the breeding herd at closer to 2.5%.

Sep 1 Hog and Pigs	USDA	Industry
All hogs Sept.1	97.7	98.3
Kept for Breeding	96.9	97.3
Kept for Market	97.8	98.3
Jun-Aug Pig Crop	98.4	98.2

Canadian delivered soymeal prices opened higher this morning. Soybean meal prices are seeing influence from harvest pressures, with a significant portion of the Western Cornbelt showing little progress due to widespread rain. However, the stronger US Dollar is having an offsetting impact as foreign demand for soybeans slows.

Canadian delivered corn prices opened higher this morning. Corn markets are opening the week steady as the nearby contracts are seeing varied influences from energy and currency markets as well as harvest progress. Harvest throughout most of the corn growing areas of the Midwest was delayed by showers over the weekend. Traders are still weary of an early frost in the northern regions as some forecasts reflect increased risk early this week.

US Slaughter	
2.346 Mill—Last Week's	
2.346 Mill—Last Week's (Year Ago)	
US Iowa/Sthrn MN	\$48.82
Western Corn Belt	\$48.96
Daily National Price	\$53.83
Daily Sig #3(M.Leaf)	\$97.96
Daily Sig #4(M.Leaf)	\$104.29
#1 Export Sows (+500lbs)	\$20.05/cwt
B of C Ex. Rate (Noon)	\$1.0915 CAD / \$0.9162 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

This information is intended to help you make your own pricing decisions. Opinions given do not guarantee any future events or

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)			85.80	85.79	94.80	106.81	113.93	115.97	126.99
			-	-	-	-	-	-	-
			91.83	92.83	104.81	115.92	114.93	122.98	134.49
Estimated Hog Margin	-24.45	-22.15	-21.88	-17.27	-9.73	-4.34	-3.16	2.11	10.52
Soymeal Delivered	413	413/399	375	375	374	371	371	368	368
Corn Delivered	156	159	156	158	160	162	164	166	168

Rothsay Animal Vegetable Feed Fat

\$523/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

