



# Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, September 29, 2009

Hog Prices: ↑

Soymeal: ↑

Corn: ↔

Cdn Dollar: ↑

**Manitoba Pork Marketing's forward contract prices opened higher this morning.** US cash markets started the week higher, despite the larger than expected supplies of live hogs. Last week's slaughter was estimated to be the same size as year ago levels, consistent with Friday's Hogs and Pigs Report. It is estimated that packer operating margins are just under an average level for this time of year, after the carcass cut-out has stabilized near \$55/cwt. Futures traders received the Hogs and Pigs Report positively, citing smaller than expected breeding herd and light weight market hog categories as the main driver for gains of about \$1.00/cwt in the February and April contracts. The Canadian Dollar is seeing strength from higher oil and stock markets, but also no mention of any measure by the Bank of Canada to weaken our currency in a speech from Governor Mark Carney.

**Canadian delivered soymeal prices opened higher this morning.** Yesterday's USDA Crop Progress Report showed that as of Sunday only 5% of the crop has been harvested, well below the 5-year average of 18%. Truck availability still remains tight and producers are encouraged to allow for sufficient lead time to help ensure on-time delivery.

**Canadian delivered corn prices opened steady this morning.** Only 6% of the corn crop is harvested, 12% off of the 5-year average. The slow maturation of the crop coupled with forecasted wet weather for part of the Corn Belt later this week is providing firm support for corn futures.

US Slaughter	
435,000—Monday's	
432,000—Monday's (Year Ago)	
US Iowa/Sthrn MN	\$49.40
Western Corn Belt	\$49.49
Daily National Price	\$53.06
Daily Sig #3(M.Leaf)	\$98.53
Daily Sig #4(M.Leaf)	\$102.29
#1 Export Sows (+500lbs) \$21.10/cwt	
<b>B of C Ex. Rate (Noon)</b>	
\$1.0861 CAD / \$0.9207 US	
<b>Cash Price (\$/cwt/kg)</b>	
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 performance. Any unauthorized distribution of the HMO is prohibited without the consent of MPMC.*

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range		86.17	86.96	95.93	107.88	109.89	116.36	128.46	133.44
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-22.15	-21.88	-17.27	-9.73	-4.34	-3.16	2.11	10.52	12.16
Soymeal Delivered	411/396	373	373	373	370	370	368	368	368
Corn Delivered	159	157	159	161	163	165	167	169	171



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