



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, October 02, 2009

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

Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash markets are finishing the week lower as supplies are abundant

<u>Weekly Comparison</u>	
WCB Cash (cwt)	+ \$0.03
ISM Cash (cwt)	+ \$0.45
Forward Prices (ckg)	+ \$0-2
CDN Dollar (Per US\$)	+ 0 .0082

and early week declines in wholesale pork prices are squeezing the gross margins of most packers. However, yesterday's Carlot Pork Report showed a recovery in wholesale pork prices, specifically in the ham primal cut. Ham prices have been abnormally volatile for this time of year, with their mid-week low down close to 20% from the highest level seen on Monday. Lean Hog futures are trading on par with the current cash market with traders unwilling to speculate on the short term direction of the nearby contracts. The Canadian Dollar is also seeing increased volatility with the primary focus on US employment stats that is expected to show the US unemployment rate nearing 10%, the highest in more than 25 years.

Canadian delivered soymeal prices opened lower this morning. A marginally higher US Dollar overnight helped soybeans trade moderately lower overnight. A 12 month average for new crop soymeal is roughly \$360/MT, down \$9/MT from last Friday. The recently lower Canadian Dollar has minimized the benefits of decreases in soy futures over the past week.

Canadian delivered corn prices opened lower this morning. A move downward for crude oil pricing as well as a higher US Dollar pushed corn futures lower in the overnight session. The cash price is sitting roughly \$2/MT lower than one week ago.

<u>US Slaughter</u>	
433,000—Thursday's	
436,000—Thursday's (Year Ago)	
US Iowa/Sthrn MN	\$49.65
Western Corn Belt	\$49.54
Daily National Price	\$52.85
Daily Sig #3(M.Leaf)	\$97.84
Daily Sig #4(M.Leaf)	\$101.06
#1 Export Sows (+500lbs) \$21.10/cwt	
B of C Ex. Rate (Noon) \$1.0774 CAD / \$0.9282 US	
Cash Price (\$/cwt/ckg) Cash prices for week ending October 2nd, 2009	
44.16 / 97.35 Signature #3	
46.47 / 102.45 Signature #4	
43.53 / 95.96 MPMC Cash	
40.75 / 89.83 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		82.91	84.46	93.40	104.83	106.83	113.29	125.21	130.18
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-22.16	-23.91	-18.42	-10.90	-5.05	-3.68	1.77	10.28	12.10
Soymeal Delivered	377/374	363	363	363	360	360	359	359	360
Corn Delivered	154	154	156	158	160	162	164	166	168

Rothsay Animal Vegetable Feed Fat

\$519/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

