



# Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, October 05, 2009

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

US Slaughter	
2.329 Mill—Last Week's	
2.327 Mill—Last Week's (Year Ago)	
US Iowa/Sthrn MN	\$48.19
Western Corn Belt	\$48.64
Daily National Price	\$52.89
Daily Sig #3(M.Leaf)	\$96.69
Daily Sig #4(M.Leaf)	\$101.81
#1 Export Sows (+500lbs) \$21.10/cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0845 CAD / \$0.9221 US	
<b>Cash Price (\$/cwt/kg)</b> 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	

**Manitoba Pork Marketing's forward contract prices opened lower this morning.** Cash bids are starting the week slightly lower as packers are holding the size of their slaughter constant with recent weeks, but are having no trouble finding the live supplies. Last week's slaughter was estimated at 2.329 million hogs, just slightly larger than the same week's slaughter last year. Packers are expected to protect their margins by dropping cash bids if wholesale pork prices continue to trend lower from last week's levels. Hams are the most critical of the primal cuts at this time of year. Ham prices are down about \$30/cwt compared to year ago, and typically drop about \$20/cwt over the next 3 months. The Canadian Dollar is expected trade steady early this week as traders await policy direction from the G-7 meeting.

**Canadian delivered soymeal prices opened lower this morning.** After trading sharply lower on Friday, soybeans traded lower in the overnight session, despite a lower US Dollar. The tone for the soy complex remains strongly bearish with widespread harvesting in the US and traders expecting to see a possible move upwards in ending stocks in this Friday's WASDE Report.

**Canadian delivered corn prices opened lower this morning.** Corn maturation continues to lag behind other crops, making corn futures more reactive to the forecasted below normal temperatures for this upcoming week. Corn is seeing some benefit this morning from increased purchasing power, with the Canadian Dollar rising almost a full cent from Friday at noon.

*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		80.00	81.56	90.48	101.87	104.01	110.46	123.86	128.82
(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	366/362	350	350	354	352	352	358	358	351
Corn Delivered	151	151	153	155	157	159	161	163	165



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