

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

# Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, October 22, 2009

**Manitoba Pork Marketing's forward contract prices opened lower this morning.** US cash markets are trading lower this morning as packer margins are under pressure and packers are responding by cutting back on their bids. Lower cash bids could threaten to reduce the size of Saturday's kill as live hog supplies seem to be holding steady at a weekly kill of about 2.3 million hogs. Currently, US hog prices are running about 20% lower than last year's levels, while Canadian hog prices are about 31% lower than the same week last year. Lean Hog futures recovered some of their losses from earlier in the week, but technical indicators do not reflect a bullish trend. The sharp drop in the Canadian Dollar seen earlier in the week did not result in a lower trend as the Loonie recovered some of its losses yesterday. Analysts say that the US Dollar is likely to continue weakening, resulting in a firmer tone for our currency.

**Canadian delivered soymeal prices opened higher this morning.** After a sharp rally yesterday, soybeans traded lower overnight with help from a higher US Dollar. A less than perfect weather forecast is providing resistance to downward action. Losses are being tempered by a lower Canadian Dollar—down roughly one cent from yesterday.

**Canadian delivered corn prices opened higher this morning.** Corn futures saw marginal losses overnight after a strong rally Wednesday, fuelled by the US Dollar reaching a new low for 2009. Harvest progress for this week will likely remain limited, with widespread precipitation continuing.

US Slaughter	
433,000—Wednesday's	
429,000—Wednesday's (Year Ago)	
US Iowa/Sthrn MN	\$52.43
Western Corn Belt	\$52.62
Daily National Price	\$54.69
Daily Sig3(M.Leaf)	\$100.43
Daily Sig4(M.Leaf)	\$101.08
4-Month Fwd Avg	\$102.49
#1 Export Sows (+500lbs) \$22.75/cwt	
<b>B of C Ex. Rate (Noon)</b>	
\$1.0412 CAD / \$0.9604 US	
<b>Cash Price (\$/cwt/pkg)</b>	
Cash prices for week ending October 16th, 2009	
42.32 / 93.29 Signature #3	
43.86 / 96.70 Signature #4	
41.06 / 90.53 MPMC Cash	
39.02 / 86.02 Springhill	

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	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		92.15	93.22	97.50	107.21	109.13	115.32	127.13	131.89
			-	-	-	-	-	-	-
			95.99	107.02	111.02	111.03	123.32	134.27	136.17
Estimated Hog Margin	-21.79	-18.76	-14.87	-7.78	-2.70	-1.70	3.18	11.00	12.20
Soymeal Delivered	393	381	381	370	363	363	363	363	365
Corn Delivered	173	173	175	177	179	181	183	185	187

## Rothsay Animal Vegetable Feed Fat

**\$548/tonne ↑ (2 – 19 mt)**

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

\*Price quoted is FOB Southeast Manitoba

