



Hog Margin Outlook

Meeting Your Marketing Needs

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

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

Friday, October 30, 2009

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets are finishing the week near steady with last week, as packer demand matched up well with the available supplies. However, next week's trade could see more aggressive packer bids, as packer margins are estimated at a profitable \$12.00/hog. Lean Hog futures are finishing the week strong with nearby contracts trading at their highest levels in about 4 months. Lean Hog futures reacted positively to news from China that they would resume imports of US pork after their 6 month ban due to fears of H1N1. This news was received cautiously by the trade yesterday, but is likely to play into market psychology this morning. Forward contract prices improved by \$3-5/ckg this week due to higher Lean Hog futures and a lower Canadian Dollar.

<u>Weekly Comparison</u>	
WCB Cash (cwt)	- \$0.15
ISM Cash (cwt)	- \$0.16
Forward Prices (ckg)	+ \$3-5
CDN Dollar (Per US\$)	- 0 .0196

Canadian delivered soymeal prices opened higher this morning. Soybeans traded sharply higher yesterday, but those gains were almost reversed with losses in the overnight session. The Canadian Dollar is back near \$0.9250US this morning, decreasing buying power. A 12-month soymeal average is now sitting at \$377/MT, relatively unchanged from a week ago.

Canadian delivered corn prices opened steady this morning. After strong gains yesterday, corn traded lower overnight fuelled by an improved forecast. Much of the US Midwest is seeing scattered precipitation today, but favourable weather is expected for the latter half of the weekend and next week.

US Slaughter	
431,000	Thursday's
436,000	Thursday's (Year Ago)
US Iowa/Sthrn MN	\$52.30
Western Corn Belt	\$52.37
Daily National Price	\$55.24
Daily Sig3(M.Leaf)	\$102.76
Daily Sig4(M.Leaf)	\$104.97
4-Month Fwd Avg	\$112.06
#1 Export Sows (+500lbs)	\$23.40/cwt
B of C Ex. Rate (Noon)	
\$1.0705 CAD / \$0.9341 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending October 30th, 2009	
45.83 / 101.03	Signature #3
47.20 / 104.06	Signature #4
44.18 / 97.41	MPMC Cash
41.50 / 91.48	Springhill

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	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		97.82	106.62	113.94	115.95	122.30	133.64	138.53	138.99
		-	-	-	-	-	-	-	-
		105.94	116.39	120.30	117.90	129.73	140.97	142.92	140.16
Estimated Hog Margin	-17.61	-11.28	-4.18	0.61	0.83	6.44	14.86	16.31	15.33
Soymeal Delivered	404	394	375	373	373	370	370	370	370
Corn Delivered	165	167	169	171	173	175	177	179	181



MPMC's Fall Marketing Meetings



Brandon - Wed Nov 4th (NOON)
Royal Oak Inn & Suites
(Light Lunch)

Starbuck - Thurs Nov 5th (1:30PM)
Starbuck Community Hall
(Pork On A Bun)

Steinbach - Fri Nov 6th (NOON)
Smitty's Restaurant
(Light Lunch)