

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

Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, November 02, 2009

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets are starting the first week of November with steady to higher bids. Last week's slaughter came in at just under 2.3 million hogs, similar to the previous week and consistent with levels forecast for this time period. Wholesale pork prices may come under pressure as hams and ribs are dropping from last week's highs, the highest levels seen so far this year. Lean hog futures are expected to trade near steady early this week as traders remain optimistic about near term market fundamentals, but are mindful of the premium that the December and February contracts hold to the current cash market. The Canadian Dollar is expected to match commodity and stock markets early in the week but could see a significant move by the end of the week as the latest employment report is scheduled to be released on Friday.

Canadian delivered soymeal prices opened higher this morning. The soy complex saw support in the overnight session from a lower US Dollar. Favourable harvest weather over the weekend and into this week is helping limit gains—though this afternoon's USDA Crop Progress Report is expected to show minimal harvest progress was made last week. A 12-month average for soymeal is now sitting at roughly \$377/MT.

Canadian delivered corn prices opened steady this morning. Despite mostly higher crude oil prices and a lower US Dollar overnight, corn futures only saw marginal gains. A mostly sunny forecast stretching through to the weekend for the US Corn Belt is supporting an underlying bearish tone.

US Slaughter	
2.294 Mill—Last Week's	
2.379 Mill—Last Week's (Year Ago)	
US Iowa/Sthrn MN	\$52.05
Western Corn Belt	\$52.30
Daily National Price	\$55.38
Daily Sig3(M.Leaf)	\$103.29
Daily Sig4(M.Leaf)	\$105.90
4-Month Fwd Avg	\$113.40
#1 Export Sows (+500lbs)	\$23.40/cwt
B of C Ex. Rate (Noon)	
\$1.0774 CAD / \$0.9282 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)		98.47	107.36	114.38	116.78	123.22	134.60	139.31	139.71
		-	-	-	-	-	-	-	-
		105.06	117.25	121.21	118.76	130.64	142.02	144.00	140.79
Estimated Hog Margin	-17.61	-11.28	-4.18	0.61	0.83	6.44	14.86	16.31	15.33
Soymeal Delivered	413	402	383	377	377	371	371	371	371
Corn Delivered	165	167	169	171	173	175	177	179	181



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