

**Hog Prices:** ↓↑

**Soymeal:** ↑

**Corn:** ↑

**Cdn Dollar:** ↑

# Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, November 03, 2009

**Manitoba Pork Marketing's forward contract prices opened mixed this morning.** US cash markets are trading higher this morning, following yesterday's gains of more than \$1.00/cwt in most regions. Packers are aggressive buyers based on good wholesale pork movement and prices and resulting profitable operating margins. Lean Hog futures are taking back some of yesterday's gains, with traders reconciling current futures prices with the cash market. The nearby contracts continue to hold a larger than average premium over the cash market, representing optimism of a further rally in the cash market. The Canadian Dollar is trading under \$0.93US, and near its lowest level in the last month resulting in some of the highest forward contract prices since the summer.

**Canadian delivered soymeal prices opened higher this morning.** A stronger US Dollar overnight helped almost wipe out the gains made by the soy complex yesterday. The USDA Crop Conditions Report showed minimal harvest progress was made last week, with only 51% complete. The Buenos Aires Grain Exchange is predicting a record breaking year for Argentine soybean acres planted.

**Canadian delivered corn prices opened higher this morning.** Fund buying pushed corn sharply higher yesterday, but this support was limited with a higher US Dollar and lower crude oil prices overnight. Last week saw an increase of only 5% in harvest progression, leaving total harvest completed at only 25%-far off the 10-year average of 77%.

US Slaughter	
428,000—Monday's	
428,000—Monday's (Year Ago)	
US Iowa/Sthrn MN	\$53.75
Western Corn Belt	\$53.53
Daily National Price	\$55.09
Daily Sig3(M.Leaf)	\$105.41
Daily Sig4(M.Leaf)	\$105.05
4-Month Fwd Avg	\$114.48
#1 Export Sows (+500lbs) \$27.05/cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0743 CAD / \$0.9308 US	
<b>Cash Price (\$/cwt/pkg)</b> 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	

*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.*

	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		99.66	108.56	115.68	117.67	123.80	134.68	139.12	139.02
		-	-	-	-	-	-	-	-
		105.96	118.45	122.40	119.65	130.72	142.10	144.07	140.40
Estimated Hog Margin	-17.61	-11.28	-4.18	0.61	0.83	6.44	14.86	16.31	15.33
Soymeal Delivered	420	410	391	385	385	380	380	377	377
Corn Delivered	170	172	174	176	178	180	182	184	186

## Rothsay Animal Vegetable Feed Fat

**\$518/tonne ↓ (2 – 19 mt)**

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

\*Price quoted is FOB Southeast Manitoba

