



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, November 05, 2009

Hog Prices: ↓↑

Soymeal: ↓

Corn: ↓

Cdn Dollar: ↑

Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash markets jumped higher yesterday as competition for live supplies was intense for Saturday's slaughter. Wholesale pork prices moved only marginally higher, which resulted in a drop in estimated packer margins of about \$4.00 per hog. Lean Hog futures are holding steady, but gains in the cash market could trigger another rally in the nearby contracts. The Canadian Dollar rallied yesterday as stock and energy markets were higher while gold hit a new all-time high. The focus of currency traders will be on tomorrow's US employment report, which is an indicator of the health of the US economy. Forward contract prices still represent fair value in spite of the recent surge in our currency, as there is still significant upside risk for the Loonie.

Canadian delivered soymeal prices opened lower this morning. Losses in yesterday's session for the soy complex continued overnight with help from a slightly higher US Dollar. Traders were expecting that this morning's USDA Export Sales Report would show a stronger number than last week, but export sales are down 24%.

Canadian delivered corn prices opened lower this morning. Corn went on to trade relatively flat overnight despite a higher US Dollar and weakness in energy markets. Moisture levels in this year's crop remain a concern, considering the increased costs associated with drying. Export sales exceeded analyst's expectations—up 54% from last week, which could provide support for corn's recent bullish tone.

US Slaughter	
433,000—Wednesday's	
440,000—Wednesday's (Year Ago)	
US Iowa/Sthrn MN	\$55.10
Western Corn Belt	\$55.25
Daily National Price	\$56.01
Daily Sig3(M.Leaf)	\$107.83
Daily Sig4(M.Leaf)	\$105.85
4-Month Fwd Avg	\$113.52
#1 Export Sows (+500lbs) \$27.05/cwt	
B of C Ex. Rate (Noon)	
\$1.0647 CAD / \$0.9392 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)		98.54 - 105.14	107.31 - 117.05	115.30 - 120.95	116.99 - 119.20	122.76 - 129.57	133.46 - 140.75	137.77 - 142.70	138.07 - 139.23
Estimated Hog Margin	-17.61	-11.28	-4.18	0.61	0.83	6.44	14.86	16.31	15.33
Soymeal Delivered	404	395	378	381	381	384	384	378	378
Corn Delivered	166	168	170	172	174	176	178	180	182

Rothsay Animal Vegetable Feed Fat

\$563/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

