

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

Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, November 16, 2009

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets are expected to trade higher this week as projected margins are good while pork demand is expected to improve as we approach US Thanksgiving. Cash bids are near equivalent to last year, not because prices have improved significantly, but because the price trend a year ago was sharply bearish. A large Saturday kill offset the reduced kill seen on Remembrance Day, taking the total for the week to near 2.3 million hogs. Lean Hog futures are expected to follow the lead of the cash market and make cautious gains over this week. However, the Canadian Dollar could negate any gains seen in the cash or forward prices as the Loonie strengthens on continued signs of an economic recovery.

Canadian delivered soymeal prices opened lower this morning. After Friday's sharp losses for the soy complex it went on to trade higher overnight with help from a lower US Dollar. Traders are expecting this afternoon's USDA Crop Progress Report to show roughly 90% of harvest completed. Cash soymeal sits unchanged from one week ago.

Canadian delivered corn prices opened higher this morning. Corn closed higher overnight with help from both a lower crude oil price and US Dollar. The Canadian Dollar is nearing \$0.96 US at open, helping to somewhat temper the recent gains for corn futures. This week's Crop Progress Report should peg harvest completion around 50%.

US Slaughter	
2.290 Mill—Last Week's	
2.320 Mill—Last Week's (Year Ago)	
US Iowa/Sthrn MN	\$52.24
Western Corn Belt	\$52.56
Daily National Price	\$56.67
Daily Sig3(M.Leaf)	\$101.24
Daily Sig4(M.Leaf)	\$105.70
4-Month Fwd Avg	\$110.87
#1 Export Sows (+500lbs) \$31.50/cwt	
B of C Ex. Rate (Noon) \$1.0508 CAD / \$0.9517 US	
Cash Price (\$/cwt/ckg) Cash prices for week ending November 13th, 2009	
47.02 / 103.67 Signature #3	
48.48 / 106.87 Signature #4	
45.77 / 100.90 MPMC Cash	
43.25 / 95.34 Springhill	

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	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		92.35	100.97	111.11	113.87	119.65	131.61	136.43	137.37
		-	-	-	-	-	-	-	-
		96.66	110.54	114.94	115.80	127.75	137.40	140.77	138.14
Estimated Hog Margin	-13.01	-15.64	-6.97	-1.57	-0.15	5.38	13.66	14.89	13.80
Soymeal Delivered	401	394	375	364	364	361	361	365	365
Corn Delivered	174	176	178	180	182	184	186	188	190



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rhonda.coupland@gov.mb.ca