



# Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, November 19, 2009

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

**Manitoba Pork Marketing's forward contract prices opened lower this morning.** US cash markets are trading lower this morning and failed to see the strength that was predicted earlier this week. Packer margins remain profitable but are coming under pressure from lower loin and ham prices, a significant portion of carcass value. Despite recent exports making an improvement over last year's levels, large hog supplies continue to cap any significant rallies. Lean Hog futures are trading lower, taking back some of the gains that the market experienced in response to the positive Export Sales Report. Forward contract prices for the first Quarter of 2010 are trading better than the current cash market, however, still well under cash prices seen in the year previous. The Canadian Dollar is trading near \$0.9360US, in the lower end of its monthly range.

**Canadian delivered soymeal prices opened higher this morning.** After rallying sharply early in the day, soymeal futures closed slightly lower yesterday and went on to trade lower overnight. A 12-month soymeal average is \$385/MT, as losses in soymeal futures are negated by a sharply lower Canadian Dollar. Producers are encouraged to schedule soymeal deliveries for the latter half of next week as soon as possible due to the US Thanksgiving holiday.

**Canadian delivered corn prices opened lower this morning.** Corn continued its losses from yesterday in to the overnight session with heavy fund selling. Traders were looking for the Export Sales Report to show similar numbers to last week, but sales are 25% down—which should help the bearish tone continue, with losses tempered by the Canadian Dollar.

US Slaughter	
432,000—Wednesday's	
435,000—Wednesday's (Year Ago)	
US Iowa/Sthrn MN	\$50.59
Western Corn Belt	\$50.75
Daily National Price	\$55.98
Daily Sig3(M.Leaf)	\$97.68
Daily Sig4(M.Leaf)	\$104.34
4-Month Fwd Avg	\$113.89
#1 Export Sows (+500lbs)	\$37.50/cwt
B of C Ex. Rate (Noon)	
\$1.0500 CAD / \$0.9524 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

*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)		96.37	105.09	113.52	115.49	121.30	133.22	137.46	138.23
		-	-	-	-	-	-	-	-
		100.73	114.77	118.65	117.43	129.34	139.03	142.42	138.91
Estimated Hog Margin	-12.63	-12.70	-4.27	-0.01	0.04	5.49	13.39	15.29	14.64
Soymeal Delivered	412	406	394	388	388	380	380	381	381
Corn Delivered	174	176	178	180	182	184	186	188	190

## Rothsay Animal Vegetable Feed Fat

\$578/tonne ↑ (2 – 19 mt)

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

\*Price quoted is FOB Southeast Manitoba

