



# Hog Margin Outlook

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Friday, November 27, 2009

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

**Manitoba Pork Marketing's forward contract prices opened mixed this morning.** US cash markets had a strong week of gains as the reduced slaughter

<u>Weekly Comparison</u>	
WCB Cash (cwt)	+ \$6.36
ISM Cash (cwt)	+ \$6.15
Forward Prices (ckg)	+ \$0-3
CDN Dollar (Per US\$)	+ 0 .0038

schedule was limited further by a reluctance of producers to deliver hogs. Wholesale pork prices firmed to levels not seen since the summer and well over the \$60/cwt level that appeared to be a barrier. Lean Hog futures also made strong gains, with traders responding directly to the firmer cash market fundamentals. However, if packers pull back on their bids early next week in response to a heavy run of live hogs, futures will likely follow. The Canadian Dollar pared back some of the gains seen earlier this week, with a decline of more than a cent against the US dollar despite US markets being closed for US Thanksgiving. *Please be advised forward contracting closes at 11:30 today due to an early close in US markets.*

**Canadian delivered soymeal prices opened lower this morning.** Concerns about Dubai's unhealthy debt shook commodity markets overnight, leaving soybeans down over 25 cents. This is helping to bring the 12-month soymeal price to \$385/MT, down roughly \$8/MT from earlier this week. *Please note, feed won't be available for purchase after 2pm CST.*

**Canadian delivered corn prices opened lower this morning.** Corn traded lower overnight amongst weakness in crude oil and a higher US Dollar. This bearish tone could be eased this morning with USDA Export Sales coming in much higher than traders had anticipated.

<u>US Slaughter</u>	
432,000	—Wednesday's
425,000	—Wednesday's (Year Ago)
US Iowa/Sthrn MN	\$56.83
Western Corn Belt	\$57.10
Daily National Price	\$56.70
Daily Sig3(M.Leaf)	\$109.91
Daily Sig4(M.Leaf)	\$105.69
4-Month Fwd Avg	\$123.65
#1 Export Sows (+500lbs)	\$34.70/cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0595 CAD / \$0.9438 US	
<b>Cash Price (\$/cwt/ckg)</b>	
Cash prices for week ending November 20th, 2009	
44.97 / 99.15	Signature #3
47.76 / 105.30	Signature #4
44.29 / 97.64	MPMC Cash
41.05 / 90.50	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.*

	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		112.15	121.50	122.02	126.81	137.36	139.06	138.77	134.84
		-	-	-	-	-	-	-	-
		121.73	125.57	125.34	132.56	141.19	144.55	140.50	138.77
Estimated Hog Margin	-7.82	-0.75	3.15	3.42	7.73	14.72	16.42	15.09	12.74
Soymeal Delivered	410	393	385	385	379	379	381	381	381
Corn Delivered	166	168	170	172	174	176	178	180	182



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