



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, December 23, 2009

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

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets continue to erode with packer demand waning due to a reduced production schedule. The carcass cut-out is also seeing weakness from the highs it put in last week as the primal cuts that are destined for further processing have dropped in value due to their inability to meet holiday demand. However, the cuts that are typically sold as fresh pork, such as loins and ribs are still seeing gains. Lean Hog futures are showing little volatility as there is a lack of new fundamentals coming into the markets due to the upcoming holiday break. The Canadian Dollar is making gains due to higher oil prices and could trigger some speculative buying due to bullish technical indicators.

Canadian delivered soymeal prices opened lower this morning. Yesterday's losses for the soy complex were erased in the overnight session after receiving support from outside markets. The Canadian Dollar is trading above \$0.95US this morning, helping to bring the 10-month average down to \$368/MT. Producers are reminded that delivery options are limited heading into the new year, and are encouraged to book early January loads as soon as possible.

Canadian delivered corn prices opened steady this morning. Yesterday's USDA Crop Progress Report showed a 3% advance from last week, as winter weather kept farmers out of the fields in areas that are still lagging. Both selling and buying has slowed significantly heading into the Christmas holiday, limiting any substantial movement in pricing.

US Slaughter	
436,000—Tuesday's	
436,000—Tuesday's (Year Ago)	
US Iowa/Sthrn MN	\$60.02
Western Corn Belt	\$60.17
Daily National Price	\$65.33
Daily Sig3(M.Leaf)	\$116.42
Daily Sig4(M.Leaf)	\$122.41
4-Month Fwd Avg	\$126.81
#1 Export Sows (+500lbs) \$26.65/cwt	
B of C Ex. Rate (Noon)	
\$1.0556 CAD / \$0.9473 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending December 18th, 2009	
56.16 / 123.82 Signature #3	
55.43 / 122.19 Signature #4	
53.70 / 118.39 MPMC Cash	
51.59 / 113.73 Springhill	

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)	118.41	120.35 -	120.85 -	125.68 -	138.55 -	141.45 -	141.01 -	135.11 -	125.92 -
Estimated Hog Margin	-0.31	2.84	4.19	8.07	15.41	16.97	15.27	13.01	7.50
Soymeal Delivered	380	376	376	369	369	368	368	367	362
Corn Delivered	167	169	171	173	175	177	179	181	183

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

