



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237
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Hog Prices: ↓
Soymeal: ↑
Corn: ↑
Cdn Dollar: ↑

Thursday, December 24, 2009

Manitoba Pork Marketing's forward contract prices opened lower this morning. US cash mar-

kets are finishing the holiday shortened week by falling further as cuts

to kill schedules have reduced packer demand for today and Saturday's slaughter. Wholesale pork prices have provided a needed boost to cash bids, but have seen weakness recently as retail orders have already been filled. Lean Hog futures are trading relatively steady today, and saw little reaction from the most recent Cold Storage Report. The USDA estimated stocks of pork to be down 7% from last year's levels, with hams stocks down more than 20%.

Weekly Comparison

WCB Cash (cwt)	- \$3.63
ISM Cash (cwt)	- \$3.58
Forward Prices (ckg)	- \$2-3

Canadian delivered soymeal prices opened higher this morning. Strength in energy markets and a weaker US Dollar helped soybeans close higher overnight, though the underlying tone for the soy complex remains bearish. This morning's USDA Export Sales Report showed a 28% jump from last week, which could provide short-term support to recent gains.

Canadian delivered corn prices opened higher this morning. A lower US Dollar and rallying crude oil prices have pushed nearby corn futures above the 400 mark again. A strong number in export sales this morning is also adding to this recent strength, with corn setting a new marketing year high this past week. The Canadian Dollar is sitting relatively stable from yesterday's noon rate, which is helping to somewhat temper recent gains.

US Slaughter	
429,000	—Wednesday's
175,000	—Wednesday's (Year Ago)
US Iowa/Sthrn MN	\$59.34
Western Corn Belt	\$59.76
Daily National Price	\$64.73
Daily Sig3(M.Leaf)	\$114.25
Daily Sig4(M.Leaf)	\$120.36
4-Month Fwd Avg	\$126.43
#1 Export Sows (+500lbs)	\$26.65/cwt
B of C Ex. Rate (Noon)	
\$1.0476 CAD	/ \$0.9546 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)	117.54	119.46 -	120.54 -	125.34 -	138.30 -	141.18 -	140.84 -	134.31 -	126.15 -
		123.97	123.97	133.50	142.15	145.51	141.81	139.88	127.69
Estimated Hog Margin	0.09	3.47	5.10	9.62	17.14	18.73	17.37	14.52	8.68
Soymeal Delivered	383	378	378	373	373	368	368	371	365
Corn Delivered	166	168	170	172	174	176	178	180	182

MPMC office will be closed on Dec 25th & Dec 28th.

Please remember, forward contracting will be closing 1hr early (11:30AM) today.

Happy Holidays from MPMC!

