

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

# Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237  
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Wednesday, December 30, 2009

**Manitoba Pork Marketing's forward contract prices opened higher this morning.** US cash markets are trading stronger this morning with yesterday's trade making good gains after a week of lower trending prices due to holiday influences. Wholesale pork prices have bounced back. As well, inventory at the retail and warehouse levels have been drawn down over the last several days. Lean Hog futures traders are focused on today's release of the USDA Hogs and Pigs report. Most analysts are expecting 3-4% decline in the breeding herd which would have the impact of reducing next fall's hog production by about 2-3% down from 2009 levels. The Canadian Dollar is seeing weakness this morning partially due to a weaker stock market. This is improving our forward contract prices by close to \$1.00/cwt.

**Canadian delivered soymeal prices opened higher this morning.** Soybean meal prices are seeing a steady trend in limited trading. Export sales of US soybeans have recently outpaced expectations, but this has already been largely factored in to the market. Triggering a rise in delivered prices is the influence of the weaker Canadian Dollar, down more than 1/2 cent mid-morning.

**Canadian delivered corn prices opened higher this morning.** Corn markets are seeing weakness with nearby futures trading about 7 cents/bushel or about 1.5% lower than yesterday's close. Influence from a weaker crude oil market due to larger than expected supplies, is the predominant factor impacting the corn market.

US Slaughter	
437,000—Tuesday's	
434,000—Tuesday's (Year Ago)	
US Iowa/Sthrn MN	\$61.43
Western Corn Belt	\$61.50
Daily National Price	\$63.17
Daily Sig3(M.Leaf)	\$117.30
Daily Sig4(M.Leaf)	\$116.67
4-Month Fwd Avg	\$127.45
#1 Export Sows (+500lbs) \$26.45/cwt	
<b>B of C Ex. Rate (Noon)</b>	
\$1.0405 CAD / \$0.9611 US	
<b>Cash Price (\$/cwt/ckg)</b>	
Cash prices for week ending December 25th, 2009	
52.76 / 116.32 Signature #3	
55.05 / 121.37 Signature #4	
52.23 / 115.14 MPMC Cash	
50.10 / 110.44 Springhill	

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		119.73	119.99	124.78	140.84	140.10	139.62	134.75	125.66
		-	-	-	-	-	-	-	-
		124.05	124.05	132.71	141.32	144.66	140.58	138.67	128.13
Estimated Hog Margin	0.09	3.47	5.10	9.62	17.14	18.73	17.37	14.52	8.68
Soymeal Delivered	396	387	387	378	378	381	381	376	371
Corn Delivered	165	167	169	171	173	175	177	179	181



**Rothsay Animal Vegetable Feed Fat**

**\$563/tonne ↑ (2 – 19 mt)**

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