



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237
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Wednesday, May 20, 2009

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

US Slaughter
412,000—Tuesday's
418,000—Tuesday's (Year Ago)
US Iowa/Southern MN \$59.51
Western Corn Belt \$59.60
Daily Sig #3 Est. (M.Leaf) \$126.39
B of C Ex. Rate (Noon) \$1.1569 CAD / \$0.8644 US
Cash Price (\$/cwt/ckg) Cash prices for week ending May 15th, 2009
60.22 / 132.75 Signature #3
59.20 / 130.52 MPMC Cash
56.51 / 124.58 Springhill

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Manitoba Pork Marketing's forward contract prices opened lower this morning. US cash and futures markets saw weakness yesterday as the gains from last week, appear overdone from the perspective of packers and traders. All of the primal cuts were trading lower yesterday, not a positive sign for pork demand in the near term. As a result of the weakness in pork prices, gross packer margins have also been under pressure with the value of live hogs being roughly equivalent to the pork cut-out. Lean Hog futures have lost faith in the cash market's ability to rally more than 10% in the next three weeks, pressuring all of the summer month contracts. The Canadian Dollar is seeing continued strength from the higher crude oil market as global investors consider moving away from the US Dollar towards more risky "commodity" currencies.

Canadian delivered soymeal prices opened higher this morning. Fund buying continued to support a move higher for the soy complex overnight. Export demand has remained strong and some analysts are revising their ending stock projections in anticipation of a sharp reduction in next month's WASDE Report.

Canadian delivered corn prices opened steady this morning. Corn futures saw gains in the overnight session, pushed by expected wet weather for the weekend and early next week. Farmer selling has been moderate so far this week, which has helped temper rallies along with a stronger Canadian Dollar—which is poised to trade above \$0.87 US today.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range		133.19	133.19	138.73	132.87	127.45	121.38	116.02	127.73
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-14.59	-7.10	-6.74	-4.22	-5.37	-5.04	-3.29	-0.33	8.11
Soymeal Delivered	521	524	532	538	544	418	418	418	418
Corn Delivered	197	199	201	203	205				



Rothsay Animal Vegetable Feed Fat

\$625/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

