



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237
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Friday, May 22, 2009

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

Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash

Weekly Comparison

WCB Cash (cwt)	- \$7.04
ISM Cash (cwt)	- \$6.99
Forward Prices (ckg)	- \$3-5
CDN Dollar (Per US\$)	- 0.0269

markets fell close to \$7.00/cwt or more than 10% of their value as

the previous week's recovery from the H1N1 debacle was premature. The underlying problem is failures of almost all of the pork primal cuts to strengthen at a time when pork markets typically make their biggest gains. The weak pork cut-out indicates that demand has come under significant pressure compared to last year. Pork production for the last couple of weeks has been comparable to last year, while price is down 25%. Lean Hog futures have seen slow erosion in their values, but still hold more than a 10% premium over the current cash market. This week's rally in the Canadian Dollar has also negatively impacted hog prices, with cash prices dropping about \$3.00/ckg as a result.

Canadian delivered soymeal prices opened higher this morning. Soymeal is ending the week on a strong note, as strong export sales and a sharply lower US Dollar are encouraging a bullish tone. Slow movement of fertilizer from Canada into the US has resulted in an increase to freight rates. Cash soymeal sits approximately \$11/MT higher than last Friday.

Canadian delivered corn prices opened higher this morning. Higher crude oil pricing and the lower US Dollar helped corn futures trade higher overnight and this morning. This is being offset to some extent by the rallying Canadian Dollar, which is trading just above \$0.89 US at open.

US Slaughter
403,000—Thursday's
417,000—Thursday's (Year Ago)
US Iowa/Southern MN \$57.77
Western Corn Belt \$57.72
Daily Sig #3 Est. (M.Leaf) \$120.76
B of C Ex. Rate (Noon) \$1.1414 CAD / \$0.8761 US
Cash Price (\$/cwt/ckg) Cash prices for week ending May 22nd, 2009
57.77 / 127.35 Signature #3
56.40 / 124.35 MPMC Cash
53.98 / 119.00 Springhill

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	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range		129.73	129.73	135.15	130.46	125.35	119.73	113.69	125.13
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-14.79	-11.29	-11.23	-8.72	-10.36	-9.16	-7.54	-3.21	5.42
Soymeal Delivered	513	517	520	527	532	410	410	410	410
Corn Delivered	192	194	196	198	200				



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

