



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, May 26, 2009

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

US Slaughter
2.057 Mill—Last Week's
2.101 Mill—Last Week's (Year Ago)
US Iowa/Southern MN \$56.30
Western Corn Belt \$56.78
Daily Sig #3 Est. (M.Leaf) \$117.17
B of C Ex. Rate (Noon) \$1.1258 CAD / \$0.8883 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

This information is intended to help you make your own pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of MPMC.

Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash markets are starting the week lower, as the holiday reduced slaughter schedule has resulted in ample hog supplies for packers, allowing them to drop their cash bids. Fresh product inventory was drawn down from Memorial Day demand and retailers will be looking to replenish those stocks in the week ahead. The result will likely be a significant improvement in packer operating margins which should allow them more room in their margins for higher bids by week's end. Lean Hog futures have factored in an US\$8.00/cwt premium over the current US cash market, representing a good hedging opportunity relative to recent years. The Canadian Dollar traded lower yesterday but continues to trade around US\$0.89 as it followed last week's rally in crude oil prices.

Canadian delivered soymeal prices opened lower this morning. Weather was drier than anticipated for much of the US over the weekend and while this could mean more acres for corn, it is also helping to improve the outlook for the soybean harvested yield.

Canadian delivered corn prices opened lower this morning. As a result of the fairly dry weather for the US Cornbelt over the long weekend, a significant jump is expected in the USDA Crop Progress Report to be released later today. A move lower for crude oil prices (trading below \$60US) and a stronger US Dollar overnight are setting a bearish tone for corn futures today.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range (Maple Leaf Sig. #3)		128.88	127.33 -	133.05 -	127.91 -	122.67 -	117.43 -	114.83 -	126.30 -
Estimated Hog Margin	-14.79	-11.29	-11.23	-8.72	-10.36	-9.16	-7.54	-3.21	5.42
Soymeal Delivered	512	513	518	525	530	420	420	420	420
Corn Delivered	189	191	193	195	197				



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

