



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237
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Tuesday, June 02, 2009

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

US Slaughter
420,000—Monday's
413,000—Monday's (Year Ago)
US Iowa/Southern MN \$59.09
Western Corn Belt \$59.14
Daily Sig #3 Est. (M.Leaf) \$117.86
B of C Ex. Rate (Noon) \$1.0872 CAD / \$0.9198 US
Cash Price (\$/cwt/ckg) Cash prices for week ending May 29th, 2009
52.97 / 116.78 Signature #3
51.61 / 113.78 MPMC Cash
49.51 / 109.16 Springhill

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Manitoba Pork Marketing's forward contract prices opened lower this morning. US packers are starting to drop their bids in an effort to recover from the ongoing problem of poor operating margins. Packers have had difficulty operating their plants profitably as pork demand continues to be weaker than expectations. Yesterday, the pork cut-out dropped to under \$58/cwt, the lowest level seen in a month and more than 25% lower than last year's levels. Adding to the weak fundamentals is the fact that live hog supplies have exceeded forecasted levels for the last couple of weeks. Lean Hog futures are trading steady to lower this morning, as traders see little reason to maintain the large premium against a lower trending cash market. The Canadian Dollar is seeing steady trade, pausing after the 10% rally over the last month.

Canadian delivered soymeal prices opened higher this morning. Yesterday's USDA Crop Progress Report showed a 18% increase, though this still results in only 66% completion—well behind the 5-year average of 79%. Another move lower for the US Dollar in the overnight session helped old and new crop soybeans push higher.

Canadian delivered corn prices opened steady this morning. Corn plantings now sit at 93% completion, only 4% under the 5-year average. Most states are in line with the average, but parts of the Corn Belt are still lagging by upwards of 10%. The Canadian Dollar is sitting just above \$0.9250 US, increasing purchasing power.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range		113.95	119.49	118.11	113.34	111.76	107.98	118.94	128.20
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-12.97	-12.53	-9.60	-10.87	-10.04	-8.80	-5.01	3.05	6.67
Soymeal Delivered	515	513	515	520	415	415	415	417	417
Corn Delivered	190	192	194	196	194				



Rothsay Animal Vegetable Feed Fat

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