



# Hog Margin Outlook

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Tuesday, June 09, 2009

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

<b>US Slaughter</b>
407,000—Monday's
406,000—Monday's (Year Ago)
US Iowa/Southern MN \$55.46
Western Corn Belt \$55.55
Daily Sig #3 Est. (M.Leaf) \$114.35
<b>B of C Ex. Rate (Noon)</b> \$1.1230 CAD / \$0.8905 US
<b>Cash Price (\$/cwt/ckg)</b> Cash prices for week ending June 5th, 2009
52.81 / 116.42 Signature #3
50.99 / 112.42 MPMC Cash
48.44 / 106.79 Springhill

**Manitoba Pork Marketing's forward contract prices opened lower this morning.** US packers have firmed up their bids, but are still experiencing gross operating margins that are barely in the black. The pork cut-out did see some strength, but not enough to expect a reaction by packers to increase their slaughter schedules. The two largest pork primal cuts, hams and bellies were still seeing weakness, but all of the other primal cuts were reported higher by the USDA in the National Carlot Pork Report. Futures traders are attempting to pick a bottom on the July and August contracts, as they have both lost more than 12% over the last month. The Canadian Dollar climbed about a cent against its US counterpart as global investors were swayed back to Canada despite slightly lower commodity prices.

**Canadian delivered soymeal prices opened higher this morning.** Yesterday's USDA Crop Progress Report showed soybean plantings at 78% completion, up 12% from last week—but still 9% off the 5-year average. As almost all other major plantings are nearing completion, it appears that the possibility of late planting acres switching to soybeans has blown over.

**Canadian delivered corn prices opened steady this morning.** Corn plantings are now 97% complete—higher than most analysts had anticipated, and in line with the 5-year average of 99%. Corn is receiving support from a lower US Dollar in the overnight session and higher crude oil pricing (trading just above \$69US at open).

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	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range		115.64	118.92	118.31	117.17	114.10	111.67	122.91	132.00
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		120.97	124.97	123.43	121.26	119.21	122.28	133.13	135.58
Estimated Hog Margin	-19.32	-19.89	-16.11	-14.68	-13.49	-10.17	-6.20	1.66	5.44
Soymeal Delivered	532	535	555	555	420	420	420	425	425
Corn Delivered	195	197	199	201	197				



**Rothsay Animal Vegetable Feed Fat**

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