



# Hog Margin Outlook

Meeting Your Marketing Needs

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Wednesday, June 10, 2009

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

<b>US Slaughter</b>
412,000—Tuesday's
408,000—Tuesday's (Year Ago)
US Iowa/Southern MN \$54.55
Western Corn Belt \$54.96
Daily Sig #3 Est. (M.Leaf) \$111.23
<b>B of C Ex. Rate (Noon)</b> \$1.1041 CAD / \$0.9057 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 cash markets opened steady to lower this morning as the poor packer margins are offsetting the tightening hog supply, which would normally be providing a rally in packer bids at this time of year. Product markets appear to have found some support at current levels, with the primal cuts influenced by export markets seeing strength. Lean Hog futures could see some upside later this week if product markets continue to recover and the gap between cash and futures narrows. The Canadian Dollar climbed a cent yesterday, largely due to higher crude oil prices. This morning, the Dollar is trading slightly lower, but the medium term technical indicators continue to project a higher trend. Forward contract prices for the Sep-Oct time-frame represent fair value given the current negative influences on pork demand.

**Canadian delivered soymeal prices opened steady this morning.** The WASDE Report showed 2008/2009 soybean exports pegged at a record breaking 1.25 billion bushels. Ending stocks have been lowered 20 million bushels to 110 million bushels—with 2009/2010 down 20 million bushels as well to 210 million bushels. Harvested yield and planted acres remained steady at 76 million acres at an average of 42.6 bushels per acre.

**Canadian delivered corn prices opened higher this morning.** Late plantings and saturated soil helped push yield projections down 2 bushels for corn—with it now sitting at 153.4 bushels per acre. Current ending stocks were adjusted downwards to 13.6 million bushels, with 2008/2009 projecting ending stocks down to 11.9 billion bushels.

*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.*

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range		112.67	115.10	114.49	113.09	109.67	107.95	119.00	128.95
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		117.19	121.07	119.55	116.72	114.71	118.00	129.09	132.47
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	423	423	423	428	428
Corn Delivered	197	199	201	203	199				



**Rothsay Animal Vegetable Feed Fat**

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