



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237
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Thursday, June 11, 2009

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

US Slaughter
412,000—Wednesday's
416,000—Wednesday's (Year Ago)
US Iowa/Southern MN \$55.04
Western Corn Belt \$55.17
Daily Sig #3 Est. (M.Leaf) \$112.29
B of C Ex. Rate (Noon) \$1.1101 CAD / \$0.9008 US
Cash Price (\$/cwt/ckg) 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. Early week gains in the pork cut-out provided a false hope for a higher trend as yesterday's product values fell by close to \$1.00/cwt, with hams and bellies proving the weakest of the primal cuts. The weak product market is likely to prolong the unprofitable prices for producers as packer margins remain in bad shape, estimated at about a \$1.00 per hog. Lean Hog futures are mirroring the cash market, as traders seem hesitant to discount the summer month contracts to the cash market level. Currently, July – October contracts are trading at a US\$5.00/cwt premium to the cash market. August – October forward contracts represent fair value in the context of the current weak pork demand and the stronger Canadian Dollar.

Canadian delivered soymeal prices opened higher this morning. Soybean futures rallied overnight, receiving support from a lower US Dollar. Major soybean growing areas in the US saw heavy rain overnight, which is creating concern for recently planted crops in already saturated soil. The Canadian Dollar is trading around \$0.91US at open, leading to a slight increase in purchasing power.

Canadian delivered corn prices opened lower this morning. After a sharp drop in yesterday's session due to heavy selling by funds, corn futures saw gains overnight. This is due largely in part to the lower US Dollar and higher crude oil pricing—which has been steadily increasing this week and is currently trading above \$72US.

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		113.17	113.87	110.84	110.36	108.53	107.57	118.73	129.88
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		115.90	117.41	115.90	115.64	113.60	117.71	128.87	133.12
Estimated Hog Margin	-19.32	-19.89	-16.11	-14.68	-13.49	-10.17	-6.20	1.66	5.44
Soymeal Delivered	544	554	572	579	432	432	432	434	434
Corn Delivered	194	196	198	200	196				



Rothsay Animal Vegetable Feed Fat

To place your order call 1-866-768-4729

