



# Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, June 16, 2009

**Hog Prices:** ↓

**Soymeal:** ↓

**Corn:** ↓

**Cdn Dollar:** ↓

<b>US Slaughter</b>	
410,000—Monday's	
399,000—Monday's (Year Ago)	
US Iowa/Southern MN	\$55.85
Western Corn Belt	\$55.91
Daily Sig #3 Est. (M.Leaf)	
\$116.23	
<b>B of C Ex. Rate (Noon)</b>	
\$1.1341 CAD / \$0.8818 US	
<b>Cash Price (\$/cwt/ckg)</b>	
Cash prices for week ending June 12th, 2009	
51.02 / 112.48 Signature #3	
49.66/ 109.48 MPMC Cash	
47.50 / 104.72 Springhill	

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**Manitoba Pork Marketing's forward contract prices opened lower this morning.** US packers started the week with firm bids, a sign that there is some optimism in short term pork demand. Another sign of a possible improvement is the firming of almost all of the primal cuts. Processing cuts such as hams and bellies are seeing improved demand by processors indicating that their inventory may have been drawn down to levels that require them to restock, even if it's at higher prices. Lean Hog futures were not as optimistic as traders continue to reference the premium that the nearby contracts hold over the current cash market. However, the Canadian Dollar provided some relief yesterday, dropping about a cent to its lowest level in almost a month.

**Canadian delivered soymeal prices opened lower this morning.** The soy complex saw widespread selling yesterday, with soymeal finishing near its low for the day. Yesterday's USDA Crop Progress Report showed 87% completion for soybean plantings—4% higher than 2008. 66% of the soybean crop is reported to be in good or excellent condition, which is 10% higher than this time one year ago.

**Canadian delivered corn prices opened lower this morning.** Corn futures saw huge losses yesterday, but went on to trade marginally up in the overnight session, fuelled by a sharp rally in crude oil pricing and a lower US Dollar. Crop conditions are providing resistance to the previously bullish tone for grains, with 70% reported to be good or excellent—13% higher than in 2008.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range		114.34	114.34	110.08	108.57	104.02	103.52	114.92	125.49
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		116.41	117.45	115.27	111.25	109.19	113.88	125.28	129.12
Estimated Hog Margin	-20.16	-22.63	-22.57	-23.81	-20.11	-16.56	-9.55	0.40	4.52
Soymeal Delivered	549	552	563	572	424	424	426	440	442
Corn Delivered	184	186	188	188	184				



**Rothsay Animal Vegetable Feed Fat**

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