



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237

or visit www.mpmc.mb.ca

Monday, June 22, 2009

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

US Slaughter
2.062 Mill—Last Week's
2.081 Mill—Last Week's (Year Ago)
US Iowa/Southern MN \$56.53
Western Corn Belt \$56.85
Daily Sig #3 Est. (M.Leaf) \$117.62
B of C Ex. Rate (Noon) \$1.1287 CAD / \$0.8860 US
Cash Price (\$/cwt/ckg) Cash prices for week ending June 19th, 2009
53.24 / 117.38 Signature #3
51.88 / 114.38 MPMC Cash
49.41 / 108.94 Springhill

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.

Manitoba Pork Marketing's forward contract prices opened higher this morning. Packers decided on a limited Saturday slaughter estimated at 16,000 hogs, taking the total for last week to 2.06 million hogs, 1% smaller than year ago levels. Firmer product values aided in higher packer bids last week, but profitability is again back into the red, forcing packers to cut slaughter in an attempt to improve gross margins. Lean Hog futures are expected to take back their late week gains, as the July and August contracts hold a \$5.00/cwt premium over the current cash market, while the short term prospect for higher hog prices looks limited. The Canadian Dollar is providing some relief as it weakens to less than US\$0.87, improving hog prices about \$7.50/ckg since the start of the month.

Canadian delivered soymeal prices opened lower this morning. Overall weakness in grains and a rallying US Dollar influenced the soy complex to trade lower overnight. Unfortunately, these losses are largely negated by a weaker Canadian Dollar, which was trading around \$0.8675 US shortly after open.

Canadian delivered corn prices opened lower this morning. Corn futures took a steep move downwards overnight and at open, pushed by a strong rally for the US Dollar and sharply lower crude oil pricing in both Friday and last night's overnight session. Weather continues to be favourable for an increase in expected yield, which is helping keep weather premiums very low for new crop.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range		123.84	120.77	114.42	111.14	106.78	105.48	122.08	127.68
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-21.65	-22.35	-22.12	-22.44	-19.82	-17.48	-11.00	-1.37	2.90
Soymeal Delivered	535	548	548	557	410	410	410	430	441
Corn Delivered	179	181	183	183	180				

Risk Management Workshop for Swine Producers

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July 13—Grandview (St. Elias Hall)
July 14—Portage La Prairie (Portage Fairboard Centre)
July 15—Altona (Millennium Exhibition Centre)
July 16—Steinbach (Mennonite Heritage Village)
July 17—Arborg (Arborg GO Office)