

Friday, June 26, 2009

Hog Prices: ↓

Soymeal: ↑

Corn: ↑

Cdn Dollar: ↓

| US Slaughter |
|--|
| 411,000—Thursday's |
| 422,000—Thursday's (Year Ago) |
| US Iowa/Southern MN \$56.34 |
| Western Corn Belt \$57.12 |
| Daily Sig #3 Est. (M.Leaf) \$121.24 |
| B of C Ex. Rate (Noon) \$1.1580 CAD / \$0.8636 US |
| Cash Price (\$/cwt/ckg) Cash prices for week ending June 26th, 2009 |
| 54.65 / 120.49 Signature #3 |
| 52.95 / 116.74 MPMC Cash |
| 50.24 / 110.77 Springhill |

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Manitoba Pork Marketing's forward contract prices opened lower this morning.

Hog prices are breaking from the higher trend they were experiencing early this week as poor packer profitability triggered a cut to slaughter schedules. Product values are improving, though not to the degree needed to move packers back into the black of their operating margins. Today's trade in the Lean Hog futures is expected to be uneventful ahead of this afternoon's USDA Hogs and Pigs Report. Most traders expect the three major categories of the Report to shrink by 1%-3% when compared to last year's numbers. The Canadian Dollar is trading just below \$0.87US, still about 5 cents below the high seen earlier this month. Currently, forward contracts for the 1st Quarter of 2010 are trading better than the 5 year average and may represent a small profit for some hog producers.

Weekly Comparison

| | |
|-----------------------|----------|
| WCB Cash (cwt) | - \$0.23 |
| ISM Cash (cwt) | - \$0.68 |
| Forward Prices (ckg) | + \$0-2 |
| CDN Dollar (Per US\$) | + 0.0307 |

Canadian delivered soymeal prices opened higher this morning. After mild gains yesterday, a sharply lower US Dollar helped push old crop soymeal to rally overnight. Weakness in the soy complex this past week was largely overtaken by the lower Canadian Dollar, leaving cash soymeal level with last Friday. Producers are reminded that delivery options may be limited next week due to the July 1st & 4th holidays.

Canadian delivered corn prices opened higher this morning. Corn traded lower yesterday and closed marginally higher overnight. An overall bearish tone remains due to continued favourable weather and crude oil moving sharply lower this morning, on its way to erasing gains from yesterday.

| | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fixed Forward Range | | 117.59 | 117.59 | 111.97 | 110.84 | 104.69 | 104.86 | 116.52 | 128.17 |
| (Maple Leaf Sig. #3) | | - | - | - | - | - | - | - | - |
| | | 119.72 | 120.78 | 117.28 | 113.50 | 110.00 | 115.46 | 127.11 | 134.63 |
| Estimated Hog Margin | -19.85 | -20.48 | -21.25 | -22.43 | -19.35 | -16.69 | -9.95 | 0.18 | 5.66 |
| Soymeal Delivered | 546 | 556 | 567 | 576 | 422 | 422 | 422 | 421 | 432 |
| Corn Delivered | 183 | 185 | 187 | 187 | 183 | | | | |

Risk Management Workshop for Swine Producers

Registration Fee: \$20/person (includes lunch)

MPMC members are eligible for a \$10 rebate

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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)