



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237
or visit www.mpmc.mb.ca

Monday, June 29, 2009

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

US Slaughter
2.032 Mill—Last Week's
2.140 Mill—Last Week's (Year Ago)
US Iowa/Southern MN \$56.86
Western Corn Belt \$57.20
Daily Sig #3 Est. (M.Leaf) \$120.90
B of C Ex. Rate (Noon) \$1.1531 CAD / \$0.8672 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

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 lower this morning. US cash markets are trading lower this morning as packers are attempting to improve their gross margins by cutting production and cash bids. A significant number of the plants would be working with reduced hours regardless of the negative margin induced production cut, as the US Independence Day Holiday typically results in a drop of about 10% slaughter. Lean Hog futures are starting the morning lower, as Friday's release of the Hogs and Pigs report provided little indication of shrinking market hog supplies in the short term, and for the long term limited liquidation to the breeding herd. The Canadian Dollar is holding at less than 87 cents US, but threatens to rally, following higher energy prices.

Canadian delivered soymeal prices opened higher this morning. The soy complex saw support overnight from a weaker US Dollar. Analysts are expecting to see a boost in soybean acres in tomorrow's USDA Acreage Report, which is taking the steam out of gains for new crop. A possible reduction in ending stocks in tomorrow's Quarterly Grain Stocks Report could result in a sharp rally for old crop.

Canadian delivered corn prices opened lower this morning. Despite a sharply lower US Dollar and a strong rally for crude oil, corn futures traded lower in the overnight session. Favourable weather for crop development has been a strong bearish factor for corn and is weighing heavier on corn futures than the prediction of a reduction of acres in the Acreage Report.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		117.29	115.18 -	108.84 -	107.72 -	100.87 -	99.44 -	111.04 -	122.64 -
Estimated Hog Margin	-19.85	-20.48	-21.25	-22.43	-19.35	-16.69	-9.95	0.18	5.66
Soymeal Delivered	551	562	572	581	418	418	418	420	422
Corn Delivered	181	183	185	185	181				

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)