



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237

Monday, July 06, 2009

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

US Slaughter
413,000—Thursday's
418,000—Thursday's (Year Ago)
US Iowa/Southern MN \$58.60
Western Corn Belt \$58.56
Daily Sig #3 Est. (M.Leaf) \$124.74
B of C Ex. Rate (Noon) \$1.1621 CAD / \$0.8605 US
Cash Price (\$/cwt/ckg) Cash prices for week ending July 3rd, 2009
55.41 / 122.16 Signature #3
53.60 / 118.16 MPMC Cash
51.26 / 113.00 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. US cash markets are starting the week with lower bids as last week's holiday shortened kill schedule has increased the available supply for this week's kill. While pork packing houses continue to operate with margins deep in the red, there were signs of a recovery in pork prices last week, as the ham primal cut gained more than 12% of its value late in the week. This week will be among the smallest non-holiday kill weeks, which should leave processors and wholesalers short on inventory. Lean Hog futures are expected to maintain their reactive trend to changes in the cash market, providing little opportunity to hedge the nearby timeframe. The Canadian Dollar finished last week at its lowest level in more than a month, as global investors remain pessimistic about the likelihood of a near term economic recovery.

Canadian delivered soymeal prices opened lower this morning. Soybeans saw sharp losses in the overnight session as continued pressure from favourable weather for crop development keeps new crop with a strong bearish tone. The Canadian Dollar is sitting just under \$0.86US at open, which is negating a large portion of this drop for soymeal futures.

Canadian delivered corn prices opened lower this morning. Weakness in crude oil, a higher US Dollar, and a positive weather outlook as pollination approaches helped corn futures see large losses overnight. Producers looking for either old or new crop corn should consider taking advantage of these bearish conditions.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range		123.25	116.84	114.10	107.19	105.56	117.25	127.99	126.31
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-22.98	-23.41	-25.25	-22.58	-20.29	-13.46	-3.27	2.23	2.93
Soymeal Delivered	553	576	585	420	420	420	428	440	
Corn Delivered	170	172	174	170	172	174	176		

Risk Management Workshop for Swine Producers

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

MPMC members are eligible for a \$10 rebate

For more information please contact:

Ron Bazylo (204-622-2015) ron.bazylo@gov.mb.ca

Robyn Harte (204-945-5402) robyn.harte@gov.mb.ca

David Hunt (204-853-5174) david.hunt@gov.mb.ca

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)