



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, July 07, 2009

Hog Prices: ↓↑

Soymeal: ↓

Corn: ↔

Cdn Dollar: ↑

Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash markets started the week higher as packers found it difficult to source enough live supplies to meet their modest kill schedule. However, this rally will be short-lived as carcass cut-out values have still not recovered from the deficit they run compared to what packers are paying for live hogs. Cash bids are expected to weaken substantially over the next few days as packers attempt to bring their costs inline with their pork sales. Lean Hog futures experienced a positive reaction to yesterday's cash market move, but are taking back those gains this morning. After dropping to the lowest level (86 cents US) in a month, the Canadian Dollar is threatening to reverse the bearish trend, with some traders claiming that the recent weakness is unfounded.

Canadian delivered soymeal prices opened lower this morning. Yesterday's USDA Crop Progress Report showed 66% of the crop considered to be good/excellent, a 2% drop from last week. Soybeans were moderately higher overnight after seeing sizable losses yesterday. Producers looking for old crop soybeans are encouraged to take advantage of recent favourable basis and freight changes.

Canadian delivered corn prices opened steady this morning. Crop conditions for corn were lowered to 71% at good/excellent, down only 1% from the prior week. Corn futures saw support overnight from a lower US Dollar and a short lived crude oil rally (with crude dropping to just below \$63US after open).

US Slaughter
370,000—Monday's
411,000—Monday's (Year Ago)
US Iowa/Southern MN \$57.93
Western Corn Belt \$57.76
Daily Sig #3 Est. (M.Leaf) \$122.94
B of C Ex. Rate (Noon) \$1.1612 CAD / \$0.8612 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

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	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range		122.58	116.21	115.57	109.08	106.59	118.29	128.72	127.05
(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	540	545	551	420	405	405	405	400	400
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

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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)