



# Hog Margin Outlook

Meeting Your Marketing Needs

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Friday, July 10, 2009

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

**Manitoba Pork Marketing's forward contract prices opened mixed this morning.** US cash hog prices are seeing support late this week as product values have spiked to levels not seen since May and moved estimated packer margins back into the black. Both hams and bellies surged more than 10% late this week as tighter supplies are finally starting to influence buyers to pay higher prices. Lean Hog futures saw an immediate rally in response to the firming cash market fundamentals, with the August contract trading limit up at times. The Canadian Dollar rallied from its recent low of US\$0.8529, but still represents good value given that the Loonie has under performed more than any other of the G-8 countries in the last month. Summer month forward prices have recovered to levels not seen for almost two months and represent good value given the uncertainty relating to export markets.

## Weekly Comparison

WCB Cash (cwt)	- \$0.23
ISM Cash (cwt)	- \$0.17
Forward Prices (ckg)	+ \$3-6
CDN Dollar (Per US\$)	- 0.0029

**Canadian delivered soymeal prices opened steady this morning.** Soybeans closed higher yesterday and went on to trade moderately lower overnight due to a rallying US Dollar. Today's WASDE Report showed planted acres up by 1.5 million acres, with yield remaining unchanged—leading to a 40 million bushel increase in projected ending stocks.

**Canadian delivered corn prices opened lower this morning.** Corn plantings are up 2 million acres, bringing the total to 87 million acres. Projected ending stocks rose to 1.55 billion bushels, an increase of 460 million bushels from June. The weather outlook continues to be bearish, with most major growing areas seeing moderate heat and scattered showers.

<b>US Slaughter</b>
398,000—Thursday's
419,000—Thursday's (Year Ago)
US Iowa/Southern MN \$57.78
Western Corn Belt \$57.69
Daily Sig #3 Est. (M.Leaf) \$122.90
<b>B of C Ex. Rate (Noon)</b> \$1.1622 CAD / \$0.8604 US
<b>Cash Price (\$/cwt/ckg)</b> Cash prices for week ending July 10th, 2009
55.67 / 122.72 Signature #3
53.85 / 118.72 MPMC Cash
51.55 / 113.64 Springhill

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	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range		125.74	119.37	115.93	108.48	105.58	117.28	126.64	126.59
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-18.03	-13.56	-14.91	-12.43	-11.78	-6.15	3.91	7.92	7.73
Soymeal Delivered	508	520	523	404	392	392	397	394	394
Corn Delivered	163	165	167	163	165	167	169		

## 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** **Cancelled**  
**July 14—Portage La Prairie** (Portage Fairboard Centre)  
**July 15—Altona** **Cancelled**  
**July 16—Steinbach** (Mennonite Heritage Village)  
**July 17—Arborg** (Arborg GO Office)