



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, July 15, 2009

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

Manitoba Pork Marketing's forward contract prices opened lower this morning. US cash markets prices are under pressure, while the pork cut-out has been stronger over the last several days. Estimated margins for US packers have recovered to their highest level in months, but are still only slightly better than a break-even when operating expenses are considered. Lean Hog futures opened slightly higher this morning with the firming product markets helping the nearby contracts. However, the deferred month contracts are coming under pressure due to the slow pace of sow slaughter and the dropping feed grain values. The Canadian Dollar has rallied almost 3.5 cents in the last two days, dropping cash and forward prices by about \$5.00/ckg over the last two days.

Canadian delivered soymeal prices opened higher this morning. Soymeal closed moderately higher yesterday, but went on to rally in the overnight session. These gains are largely negated by the Canadian Dollar, which is currently trading above \$0.89US. Producers are encouraged to consider purchasing old crop soymeal as focus is likely to shift to ending stocks and supply issues as summer progresses.

Canadian delivered corn prices opened steady this morning. Corn is seeing some strength from a lower US Dollar, disciplined farmer selling, and buying by funds. Favourable weather for crop development continues to keep the rallies that started this week rather limited, and the underlying tone for corn remains bearish.

US Slaughter
401,000—Tuesday's
407,000—Tuesday's (Year Ago)
US Iowa/Southern MN \$55.80
Western Corn Belt \$56.06
Daily Sig #3 Est. (M.Leaf) \$116.82
B of C Ex. Rate (Noon) \$1.1368 CAD / \$0.8797 US
Cash Price (\$/cwt/ckg) 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

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.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range		122.70	115.49	112.95	103.59	101.78	113.23	122.48	122.44
(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	475	489	495	393	383	383	381	382	382
Corn Delivered	160	162	164	160	162	164	166		

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 15—Altona **Cancelled**

July 16—Steinbach (Mennonite Heritage Village)

July 17—Arborg (Arborg GO Office)