



# Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, July 16, 2009

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

**Manitoba Pork Marketing's forward contract prices opened mixed this morning.** US pork cut-out values jumped by more than \$3.00 per ckg yesterday, indicating that we are seeing increased buying interest from processors and wholesalers, who may be running short of inventory. Earlier this week, 3 US slaughter plants did not slaughter for a day, resulting in a substantial cut to production and contributing to the short supply of fresh pork. The resulting improvement in packer margins is almost \$6.00/hog, bringing estimated gross margins to the highest levels in several months. The positive cash market fundamentals are also influencing a reactionary futures market with firm gains seen in both the August and October contracts this morning. The Canadian Dollar continued its sharply higher trend yesterday, reacting to an improved investor outlook for the global economy as evidenced by recent gains in commodity markets.

**Canadian delivered soymeal prices opened lower this morning.** Soybeans rallied early yesterday, but saw steep losses later on, which continued overnight. News of China's intention to begin selling from its soybean reserves as well as favourable weather for major soybean growing areas is keeping the tone bearish.

**Canadian delivered corn prices opened lower this morning.** China and Thailand's decision to release corn from their reserves next week is putting added pressure on corn futures. The rallying Canadian Dollar is helping delivered corn prices set a new low for 2009.

<b>US Slaughter</b>
406,000—Wednesday's
412,000—Wednesday's (Year Ago)
US Iowa/Southern MN \$56.90
Western Corn Belt \$56.78
Daily Sig #3 Est. (M.Leaf) \$116.50
<b>B of C Ex. Rate (Noon)</b> \$1.1194 CAD / \$0.8933 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

*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		124.38	117.23	114.39	105.22	102.33	113.53	122.18	122.15
(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	450	460	468	379	370	370	372	369	369
Corn Delivered	155	157	159	155	157	159	161		

## Rothsay Animal Vegetable Feed Fat

\$555/tonne ↓ (2 – 19 mt)

To place your order call 1-866-768-4729

\*Price quoted is FOB Southeast Manitoba

