



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237
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Friday, July 17, 2009

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

Manitoba Pork Marketing's forward contract prices opened mixed this morning. US cash mar-

kets have seen little support this week, as cuts to the slaughter sched-

ule by three US plants had the im-

act of making the live hog supply more abundant relative to packer demand. This week's slaughter is on track for a 6% drop compared to the same week last year. While cash bids were lower, product values continue to make strong gains, which should result in improved cash hog bids next week. August and October Lean Hog futures reacted positively to the improvement in product prices and are trading near their highest levels in more than a month and a half. However, the gains in the Lean Hog futures were offset by gains in the Canadian Dollar this week. Forward contract prices represent fair value when compared to the cash market, as there is still significant risk associated with both the currency and hog prices.

Canadian delivered soymeal prices opened lower this morning. The soy complex traded higher overnight, though it wasn't enough to neutralize the losses seen yesterday. The rallying Canadian Dollar and other bearish pricing factors have helped soymeal prices move substantially lower over the past 3 weeks, with the cash price dropping in excess of \$130/MT.

Canadian delivered corn prices opened lower this morning. Corn saw steep losses yesterday and closed marginally higher overnight. The extended forecast is helping corn maintain its underlying bearish tone. The cash price sits approximately \$30/MT lower from one month ago.

Weekly Comparison

WCB Cash (cwt)	- \$0.09
ISM Cash (cwt)	- \$0.94
Forward Prices (ckg)	- \$1-4
CDN Dollar (Per US\$)	+ 0.0348

US Slaughter
405,000—Thursday's
420,000—Thursday's (Year Ago)
US Iowa/Southern MN \$56.84
Western Corn Belt \$57.60
Daily Sig #3 Est. (M.Leaf) \$117.94
B of C Ex. Rate (Noon) \$1.1171 CAD / \$0.8952 US
Cash Price (\$/cwt/ckg) Cash prices for week ending July 17th, 2009
53.64 / 118.26 Signature #3
51.37 / 113.26 MPMC Cash
48.87 / 107.73 Springhill

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	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range		124.63	117.46	114.04	104.83	102.43	113.69	122.38	122.34
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-17.42	-13.18	-11.48	-10.41	-11.14	-6.56	2.41	6.38	6.33
Soymeal Delivered	430	445	449	362	361	361	360	360	360
Corn Delivered	153	157	159	155	157	159	161		

Rothsay Animal Vegetable Feed Fat

\$525/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

