



Hog Margin Outlook

Meeting Your Marketing Needs

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

Monday, July 20, 2009

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

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets are starting the week higher as improved profitability has packers adding hours to this week's slaughter schedule and should result in higher bids. Product markets have improved by about 12% over the last week, largely due to a surge in ham and belly prices. Last Monday's reduction in the slaughter due to three packers taking a floating holiday helped improve the cash market fundamentals, and in the coming weeks further reductions should aid in limiting overall production. August and October Lean Hog futures have been supported by the tighter hog supply and a more optimistic view of the cash market. While the surging Canadian Dollar has limited the gains in forward prices, higher futures have provided improved forward contracting opportunities.

Canadian delivered soymeal prices opened higher this morning. The soy complex rallied sharply overnight, fuelled by a significantly lower US Dollar. Favourable weather continues to be an underlying influence, but seems to be well accounted for already in current soymeal pricing.

Canadian delivered corn prices opened higher this morning. Corn futures saw a modest rally in the overnight session—receiving support from crude oil, which is still rallying after a sharp jump Friday afternoon. The Canadian Dollar is helping to keep overnight gains in check with increased buying power as the Loonie trades above \$0.90US this morning.

US Slaughter
1.954 Mill—Last Week's
2.139 Mill—Last Week's (Year Ago)
US Iowa/Southern MN \$56.84
Western Corn Belt \$57.52
Daily Sig #3 Est. (M.Leaf) \$117.75
B of C Ex. Rate (Noon) \$1.1168 CAD / \$0.8954 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		125.61	118.45	114.48	105.28	102.70	113.94	122.53	122.50
(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	440	452	458	372	364	364	364	366	366
Corn Delivered	156	158	160	156	158	160	162		

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

