



# Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237  
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Tuesday, July 21, 2009

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

<b>US Slaughter</b>
370,000—Monday's
395,000—Monday's (Year Ago)
US Iowa/Southern MN \$57.33
Western Corn Belt \$57.09
Daily Sig #3 Est. (M.Leaf) \$115.81
<b>B of C Ex. Rate (Noon)</b> \$1.1067 CAD / \$0.9036 US
<b>Cash Price (\$/cwt/ckg)</b> 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

*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.*

**Manitoba Pork Marketing's forward contract prices opened lower this morning.** Packers started to pay slightly more for live supplies, but the 12% rally in the cut-out has yet to filter through to prices that producers receive. Until last week, packers were experiencing some of the worst margins seen in the business in more than 20 years. Consequently, any gains in cash bids for live hogs were limited until packer margins improved dramatically. Lean Hog futures started the week marginally lower, but continue to represent a larger than normal premium over the current cash market. The Canadian Dollar rallied to its highest level in 5 weeks, spurred on by a weak US Dollar and higher prices for both oil and gold. Today's Bank of Canada decision on interest rates is unlikely to have any impact on the market.

**Canadian delivered soymeal prices opened lower this morning.** Yesterday's USDA Crop Progress Report showed 67% of the soybean crop is considered to be good/excellent, a 1% improvement from last week. New crop is seeing considerable weakness as agronomists anticipate considerable increases to yield in the next WASDE Report.

**Canadian delivered corn prices opened lower this morning.** Crop conditions remained unchanged from last week (71% still reported as good/excellent). Recent moderate temperatures are likely to cause a sizeable jump in yield compared to previous expectations but crops remain considerably late and a possible early frost is a concern.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range		119.17	112.07	109.61	100.49	98.03	109.18	117.90	117.88
(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	439	450	457	367	361	361	360	358	358
Corn Delivered	150	153	156	159	150	152	154		

## 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

