



Hog Margin Outlook

Meeting Your Marketing Needs

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

Thursday, July 30, 2009

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

Manitoba Pork Marketing's forward contract prices opened higher this morning. US packers are tempering their bids as they cut back on their production schedules due to limited wholesale pork demand. After a couple of weeks of hog slaughter under 2 million hogs, live hog numbers are becoming more abundant. Wholesale pork prices are running about 25% lower than last year's levels and have been running near this discount since April, when news of H1N1 Flu hit the market. Lean Hog futures have stabilized after the lower trend over the last week, as traders are pessimistic about a late summer rally in cash prices. The Canadian Dollar broke from its trend higher and provided some relief to the pressure on hog prices, trading well under 92 cents this morning. Producers should still consider forward contracting at current prices as significant downside risk remains.

Canadian delivered soymeal prices opened higher this morning. New crop soymeal traded marginally down yesterday, but old crop saw strong gains—which continued overnight. Demand remains strong and recent basis changes are pushing short term pricing higher. Producers are encouraged to secure old crop soymeal through to mid-October.

Canadian delivered corn prices opened higher this morning. After trading lower yesterday, a recovery in energy markets, a weaker US Dollar, and strong demand helped corn futures close higher overnight. Weather still remains a huge bearish influence for corn, but it appears to be already factored into current pricing—making corn susceptible to moderate gains from bullish news.

US Slaughter
419,000—Wednesday's
412,000—Wednesday's (Year Ago)
US Iowa/Southern MN \$54.57
Western Corn Belt \$54.83
Daily Sig #3 Est. (M.Leaf) \$109.44
B of C Ex. Rate (Noon) \$1.0889 CAD / \$0.9184 US
Cash Price (\$/cwt/ckg) Cash prices for week ending July 24th, 2009
53.24 / 117.38 Signature #3
50.98 / 112.38 MPMC Cash
48.44 / 106.78 Springhill

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	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		106.76	99.76 -	97.81 -	90.51 -	88.30 -	99.29 -	108.79 -	108.78 -
Estimated Hog Margin	-17.17	-20.18	-19.05	-14.05	-14.59	-9.75	-0.65	3.33	3.46
Soymeal Delivered	475	486	501	378	378	378	370	367	367
Corn Delivered	152	154	156	158	152	154	156		

Rothsay Animal Vegetable Feed Fat

\$535/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

