



# Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, July 31, 2009

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

**Manitoba Pork Marketing's forward contract prices opened higher this morning.** Cash market prices are finishing the week sharply lower than where they started as cuts to production schedules and significantly weaker pork product values influenced packer bids. Heavier hogs are also contributing to the lower bids with average hog weights up about 7 pounds from last year. Wholesale pork prices have lost half of their gains in the last three weeks, as increased competition from beef and poultry at the retail level could be cutting into pork demand. The fall and winter month Lean Hog futures were pressured by the weak cash market, but are trading near steady with the current cash market. Normal seasonality would have prices drop by about \$20.00/ckg over the next several months, providing some rationale to forward contract some of your 4<sup>th</sup> Quarter production.

<u>Weekly Comparison</u>	
WCB Cash (cwt)	- \$3.63
ISM Cash (cwt)	- \$4.63
Forward Prices (ckg)	- \$3-4
CDN Dollar (Per US\$)	+ 0.0044

<b>US Slaughter</b>
415,000—Thursday's
420,000—Thursday's (Year Ago)
US Iowa/Southern MN \$53.68
Western Corn Belt \$54.83
Daily Sig #3 Est. (M.Leaf) \$106.99
<b>B of C Ex. Rate (Noon)</b> \$1.0815 CAD / \$0.9246 US
<b>Cash Price (\$/cwt/ckg)</b> Cash prices for week ending July 31st, 2009
50.45 / 111.23 Signature #3
49.09 / 108.23 MPMC Cash
46.39 / 102.27 Springhill

**Canadian delivered soymeal prices opened higher this morning.** Soymeal continued its rally yesterday, with both old and new crop trading substantially higher. China has begun buying soybeans, which is fortifying the bullish tone that started earlier this week. August soymeal is now sitting roughly \$45/MT higher than it was one week ago.

**Canadian delivered corn prices opened steady this morning.** Yesterday was another day of strong gains for corn, as crude oil rallied sharply and the US Dollar traded lower. With the recent good weather already factored in, the possibility of reduced acres and continued strength in export sales are helping corn futures hold their ground, stabilizing the cash price.

*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.*

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)	109.25	102.30 -	100.17 -	92.04 -	90.76 -	101.67 -	110.11 -	110.08 -	116.53 -
Estimated Hog Margin	-24.89	-25.43	-20.98	-20.71	-15.49	-5.70	-1.55	-1.38	3.71
Soymeal Delivered	495	510	399	399	399	386	383	383	383
Corn Delivered	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

