



Hog Margin Outlook

Meeting Your Marketing Needs

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

Tuesday, August 04, 2009

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

Manitoba Pork Marketing's forward contract prices opened lower this morning. US cash markets started the week lower as weaker product markets were also under pressure. Last week's kill came in significantly higher than all other weeks in July, at just over 2.1 million hogs. However, this week's kill is expected to be significantly smaller, as many packers took a floating holiday yesterday. Product markets are seeing continued weakness, with competing meats at the retail level having a major impact on domestic demand. Ham and loin values, the most valuable of the primal cuts, are down near their levels of a month ago, erasing most of the gains from two weeks ago. Lean Hog futures are also coming under pressure, as traders see little optimism in the cash market to have the October and December contracts trade at a premium to the current cash market.

Canadian delivered soymeal prices opened higher this morning. Cash soymeal is nearing the \$500/MT mark, after trading below that point for the past 3 weeks. A hot and dry extended forecast added to the bullish tone for the soy complex yesterday—though some relief was seen overnight from a higher US Dollar and weakness in outside markets.

Canadian delivered corn prices opened higher this morning. Monday's USDA Crop Condition Report showed 68% of the crop at good/excellent (down 2% from last week). Scattered showers are expected for the US Corn Belt late this week. The high temperatures in the long range forecast are expected to roll in after the majority of pollination is complete, making it less of a concern at this point.

US Slaughter	
316,000—Monday's	
378,000—Monday's (Year Ago)	
US Iowa/Sthrn MN	\$51.69
Western Corn Belt	\$51.71
Daily National Price	\$59.73
Daily Sig #3 Est. (M.Leaf)	\$104.21
Daily Sig #4 Est. (M.Leaf)	\$114.40
B of C Ex. Rate (Noon)	
\$1.0790 CAD / \$0.9268 US	
Cash Price (\$/cwt/ckg)	
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

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	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range		96.98	94.74	87.02	86.62	97.37	108.03	108.02	114.37
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		101.88	97.78	92.89	94.93	107.15	111.45	111.45	121.61
Estimated Hog Margin	-24.89	-25.43	-20.98	-20.71	-15.49	-5.70	-1.55	-1.38	3.71
Soymeal Delivered	498	512	408	408	408	388	394	394	394
Corn Delivered	160	163	166	160	162	164			



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

