



Hog Margin Outlook

Meeting Your Marketing Needs

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

Wednesday, August 05, 2009

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

Manitoba Pork Marketing's forward contract prices opened lower this morning. US cash markets are still under pressure with hog supplies growing more abundant in large part due to supplies being backed up from previous weeks. Heavier hogs are also contributing to the larger supply with carcass weights averaging about 7 pounds heavier than last year's levels. Lean Hog futures continue to slide with traders moving the winter month contracts to a discount when compared against the current cash market. Typically, the October and December contracts run at a 10% - 20% discount to the cash market at this time of year. The Canadian Dollar strengthened yesterday to its highest level since October 2008, largely in response to higher energy prices. Growing concern from the Federal Government and the Bank of Canada regarding the strength of our currency could trigger action that would attempt to limit further gains.

Canadian delivered soymeal prices opened lower this morning. Recent basis changes have lowered the cash price. Producers are strongly encouraged to secure old crop soymeal through until early October. Even bearish results from next Wednesday's WASDE Report will be marginally beneficial at best to old crop and basis levels will likely become less favourable as we near the end of the summer.

Canadian delivered corn prices opened steady this morning. After trading lower yesterday, corn futures closed marginally higher overnight due to a weaker US Dollar. Despite relatively strong export demand, cash has been at or below the \$160/MT mark for almost a month.

US Slaughter	
422,000—Tuesday's	
426,000—Tuesday's (Year Ago)	
US Iowa/Sthrn MN	\$50.71
Western Corn Belt	\$50.91
Daily National Price	\$58.51
Daily Sig #3 Est. (M.Leaf)	\$99.72
Daily Sig #4 Est. (M.Leaf)	\$110.78
B of C Ex. Rate (Noon)	
\$1.0686 CAD / \$0.9358 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		89.23	87.49	78.63	76.76	87.58	98.01	98.00	104.40
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		94.14	90.05	84.54	85.52	97.42	101.46	101.46	113.65
Estimated Hog Margin	-24.89	-25.43	-20.98	-20.71	-15.49	-5.70	-1.55	-1.38	3.71
Soymeal Delivered	488	512	407	407	407	397	392	392	392
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

