



# Hog Margin Outlook

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Friday, August 07, 2009

**Hog Prices:** ↓

**Soymeal:** ↑

**Corn:** ↓

**Cdn Dollar:** ↓

## Manitoba Pork Marketing's forward contract prices opened lower this morning.

Cash hog prices finished the week sharply lower with pressure coming from both lower US cash bids and a stronger Canadian Dollar. Most of the primal cuts of pork have lost value in the last two weeks, possibly due to increased competition from beef and poultry at the retail level. Lean Hog futures traded near limit down yesterday, as traders have been optimistic about the ability for the pork market to recover from the unprofitable prices seen this summer. The Canadian Dollar has dropped from its 8 month highs that were set earlier this week, as oil prices and threats of intervention from the Federal Government may have provided some bearish news to reverse the trend.

## Canadian delivered soymeal prices opened higher this morning.

The soy complex saw continued strength overnight from yesterday's USDA Export Sales results, which were even stronger than traders had anticipated. Cash soymeal is sitting relatively unchanged from last Friday, but new crop soymeal is up roughly \$30/MT. Producers looking to purchase new crop could see a good buying opportunity following the release of the WASDE report on the 12th.

## Canadian delivered corn prices opened lower this morning.

Corn saw heavy selling by funds yesterday, leaving futures sharply down. Selling pressure eased overnight, but corn still closed marginally lower. Much of the US Corn Belt will see high temperatures through the weekend, but scattered showers are expected to continue—easing yield concerns.

US Slaughter	
428,000—Thursday's	
426,000—Thursday's (Year Ago)	
US Iowa/Sthrn MN	\$49.61
Western Corn Belt	\$49.67
Daily National Price	\$56.66
Daily Sig #3 Est. (M.Leaf)	\$97.96
Daily Sig #4 Est. (M.Leaf)	\$108.20
<b>B of C Ex. Rate (Noon)</b>	
\$1.0759 CAD / \$0.9259 US	
<b>Cash Price (\$/cwt/ckg)</b>	
Cash prices for week ending August 7th, 2009	
45.58 / 100.48 Signature #3	
50.37 / 111.04 Signature #4	
44.22 / 97.48 MPMC Cash	
41.61 / 91.74 Springhill	

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	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range		84.11	81.30	72.40	70.54	81.41	91.78	91.76	98.18
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
		89.06	84.66	78.33	79.32	91.29	95.24	95.24	107.67
Estimated Hog Margin	-28.03	-32.52	-29.05	-30.39	-26.27	-17.19	-12.55	-11.80	-6.21
Soymeal Delivered	492	527	415	415	415	410	410	410	400
Corn Delivered	150	152	154	156	150	152	154	156	

## Rothsay Animal Vegetable Feed Fat

**\$580/tonne ↑ (2 – 19 mt)**

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

\*Price quoted is FOB Southeast Manitoba

