



Hog Margin Outlook

Meeting Your Marketing Needs

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

Friday, August 14, 2009

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

Manitoba Pork Marketing's forward contract prices opened higher this morning. Cash markets have been under pressure for most of the week, however recently packers kept their bids steady as they plan for a large Saturday kill. The pork carcass cut-out price has been unable to find a bottom to its lower trend, dropping more than \$12.00/cwt in the last three weeks. Wholesalers and processors have pulled back on their bids as weaker prices from poultry and beef combined with abundant pork supplies have pressured primal values. June pork exports were down about 33% from 2008, consistent with most analysts' expectations. Reduced exports to China and Japan made up most of the declines, however Mexico posted a 22% increase in volume in spite the impact of H1N1 on pork consumption.

Weekly Comparison

| | |
|-----------------------|----------|
| WCB Cash (cwt) | - \$3.93 |
| ISM Cash (cwt) | - \$4.16 |
| Forward Prices (ckg) | +\$ 4-8 |
| CDN Dollar (Per US\$) | - 0.0044 |

Canadian delivered soymeal prices opened lower this morning. Despite a bullish WASDE Report earlier in the week, soymeal closed lower yesterday and overnight. This is largely attributed to extreme temperatures not materializing this week in major soybean growing areas. Producers looking to secure old crop soymeal may see a good opportunity to take advantage of current weakness in the soy complex.

Canadian delivered corn prices opened lower this morning. Corn futures closed lower overnight, even with a lower US Dollar and relatively supportive crude oil pricing. The weather outlook remains favourable, with warm temperatures through the weekend and next week forecasted to be slightly cooler with scattered showers.

| | |
|--|----------|
| US Slaughter | |
| 428,000—Thursday's | |
| 425,000—Thursday's (Year Ago) | |
| US Iowa/Sthrn MN | \$45.45 |
| Western Corn Belt | \$45.74 |
| Daily National Price | \$52.36 |
| Daily Sig #3 Est. (M.Leaf) | \$90.98 |
| Daily Sig #4 Est. (M.Leaf) | \$100.85 |
| B of C Ex. Rate (Noon) | |
| \$1.0852 CAD / \$0.9215 US | |
| Cash Price (\$/cwt/ckg) | |
| Cash prices for week ending August 14th, 2009 | |
| 41.94 / 92.45 Signature #3 | |
| 47.11 / 103.85 Signature #4 | |
| 40.57 / 89.45 MPMC Cash | |
| 38.00 / 83.77 Springhill | |

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| | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr |
|----------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fixed Forward Range | | 84.47 | 81.93 | 74.49 | 79.26 | 90.24 | 101.22 | 102.12 | 108.60 |
| (Maple Leaf Sig. #3) | | - | - | - | - | - | - | - | - |
| | | 86.39 | 85.40 | 80.44 | 85.75 | 100.22 | 105.61 | 105.61 | 118.59 |
| Estimated Hog Margin | -28.79 | -35.14 | -31.18 | -31.59 | -25.02 | -13.65 | -8.88 | -8.15 | -2.12 |
| Soymeal Delivered | 586 | 517 | 400 | 400 | 400 | 403 | 388 | 389 | 400 |
| Corn Delivered | 152 | 155 | 158 | 152 | 154 | 156 | 158 | 160 | 162 |



Rothsay Animal Vegetable Feed Fat

\$625/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

