



# Hog Margin Outlook

Meeting Your Marketing Needs

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Thursday, April 16, 2009

**Hog Prices:** ↑

**Soymeal:** ↑

**Corn:** ↓

**Cdn Dollar:** ↑

| US Slaughter  |
|---|
| 426,000—Wednesday's   |
| 435,000—Wednesday's<br>(Year Ago)   |
| US Iowa/Sthrn. MN<br>\$56.50  |
| Western Corn Belt<br>\$56.69  |
| Daily Sig #3 Est. (M.Leaf)<br>\$125.09  |
| <b>B of C Ex. Rate (Noon)</b><br>\$1.2038 CAD / \$0.8307 US                     |
| <b>Cash Price (\$/cwt/ckg)</b><br>Cash prices for week<br>ending Apr 10th, 2009 |
| 57.33 / 126.39 Signature #3   |
| 56.20 / 123.89 MPMC Cash  |
| 53.78 / 118.56 Springhill   |

*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.*

**Manitoba Pork Marketing's forward contract prices opened higher this morning.** US cash markets are finishing the week slightly higher, as packers are seeing tighter supplies in line with the USDA projections. While live hog numbers have been tighter, average carcass weights are running more than 3 lbs heavier, contributing an extra 1.5% to weekly pork production. The pork cut-out has trended sideways so far in 2009, but has lagged last year's levels as the ham primal prices failed to see any seasonal support from the Easter Holiday. Lean Hog futures are making good gains this morning as traders see earlier week losses as an overreaction. However, summer and fall month contracts maintain a \$20/cwt premium over the current cash market, a limiting factor to further gains. The Canadian Dollar is trading steady with yesterday's trade at US\$0.83, the highest level in over 3 months.

**Canadian delivered soymeal prices opened higher this morning.** The soy complex traded higher in the overnight session. This morning's USDA Export Sales report showed a huge boost for soybeans this week—up 87% from last week, doubling the prior 4-week average.

**Canadian delivered corn prices opened lower this morning.** Corn futures lagged behind other grains in overnight trading and closed marginally lower. Funds were sizeable sellers yesterday and the abundant on-farm supply of old crop is creating a strong bearish influence. Crude oil pricing has remained relatively stable overnight, hovering around the \$50US mark.

|                      | Apr   | May    | Jun    | Jul    | Aug    | Sep    | Oct    | Nov    | Dec    |
|----------------------|-------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fixed Forward Range  |       | 150.58 | 154.98 | 157.32 | 155.78 | 145.29 | 137.11 | 128.87 | 120.56 |
| (Maple Leaf Sig. #3) |       | -      | -      | -      | -      | -      | -      | -      | -      |
|                      |       | 153.88 | 159.53 | 160.53 | 161.63 | 151.36 | 141.83 | 134.91 | 136.01 |
| Estimated Hog Margin | -9.46 | 6.27   | 10.63  | 10.75  | 11.55  | 7.63   | 5.80   | 4.72   | 7.19   |
| Soymeal Delivered    | 459   | 473    | 459    | 460    | 434    | 412    | 402    | 405    | 404    |
| Corn Delivered       | 176   | 178    | 180    | 182    | 184    |        |        |        |        |



## Rothsay Animal Vegetable Feed Fat

**\$620/tonne ↔ (2 – 19 mt)**

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

*\*Price quoted is FOB Southeast Manitoba*

