



Hog Margin Outlook

Meeting Your Marketing Needs

For details call: (204)235-2237

or visit www.mpmc.mb.ca

Friday, May 01, 2009

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

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash and futures markets continue to lose value as the spread of the H1N1 virus continues and the impact on the global demand for pork grows. US packers are trying to return to positive operating margins by dropping their cash bids and reducing their production schedule. However, pork product values continue to erode at a pace nearly as fast, leaving gross margins only marginally in the black. Nearby Lean Hog futures lost more than 15% of their value in the last week, while the fall contracts have dropped by about half this amount. The Canadian Dollar is pressuring Canadian hog prices further, by gaining to \$0.84US, the highest level in 4 months. Forward prices for the 3rd and 4th Quarters still represent fair value, given the new risk to demand.

Weekly Comparison

WCB Cash (cwt)	- \$8.10
ISM Cash (cwt)	- \$8.18
Forward Prices (ckg)	- \$5-15
CDN Dollar (Per US\$)	- 0.035

Canadian delivered soymeal prices opened higher this morning. Increased buying by funds, sluggish farmer selling and strong exports helped fuel a strong rally for soybeans yesterday. The rally levelled off in the overnight session, with the price of soybean futures holding steady. The cash price is roughly \$10/MT higher than last Friday.

Canadian delivered corn prices opened lower this morning. Corn futures made gains yesterday, which continued through the overnight session. A bullish tone is supported by a lower US Dollar and a rally for crude oil, which has been modestly rallying since early this week. Purchasing power is seeing an increase from a stronger Canadian Dollar.

US Slaughter
410,000—Thursday's
420,000—Thursday's (Year Ago)
US Iowa/Southern MN \$54.51
Western Corn Belt \$54.59
Daily Sig #3 Est. (M.Leaf) \$119.48
B of C Ex. Rate (Noon) \$1.1940 CAD / \$0.8375 US
Cash Price (\$/cwt/ckg) Cash prices for week ending May 1st, 2009
58.75 / 129.51 Signature #3
57.61 / 127.01 MPMC Cash
55.25 / 121.81 Springhill

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	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range		137.03	140.88	145.40	136.07	130.47	123.27	115.25	127.23
(Maple Leaf Sig. #3)	134.29	-	-	-	-	-	-	-	-
Estimated Hog Margin	-9.84	-5.27	-3.15	-0.57	-2.70	-2.90	-2.68	-0.27	2.22
Soymeal Delivered	474	469	469	468	442	400	390	390	393
Corn Delivered	187	189	191	193	193				



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

