



# Hog Margin Outlook

Meeting Your Marketing Needs

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Monday, May 04, 2009

Hog Prices: ↓

Soymeal: ↑

Corn: ↔

Cdn Dollar: ↑

<b>US Slaughter</b>
2.047 Mill—Last Week's
2.145 Mill—Last Week's (Year Ago)
US Iowa/Southern MN \$53.43
Western Corn Belt \$53.76
Daily Sig #3 Est. (M.Leaf) \$116.99
<b>B of C Ex. Rate (Noon)</b> \$1.1872 CAD / \$0.8423 US
<b>Cash Price (\$/cwt/ckg)</b> 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

*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 lower this morning.** US cash markets continue to be under pressure, following last week's developments in the spread of H1N1 Influenza and the subsequent cuts to production that packers have made. Lean Hog futures opened sharply lower again this morning, but could see a quick recovery as the market plays out different scenarios related to the preliminary discovery of the H1N1 in Alberta Swine. Should the USDA initiate some type of trade restriction that limits movement of pork or livestock from Canada, Lean Hog futures could react very positively due to the perception of a short supply situation.

**USDA Response to Discovery of H1N1 in Alberta Swine.** In a statement from Secretary Vilsack on this latest development of H1N1 being found in Alberta swine, the USDA announced that the event has no immediate impact on trade between the US and Canada. Any decision that would impact trade would follow the World Organization of Animal Health (OIE) guidelines, which are based on science. Any trade action that may be considered would follow the results of the confirmatory tests that are expected to be completed sometime between the dates of May 6<sup>th</sup> and 16<sup>th</sup>.

**Canadian delivered soymeal prices opened higher this morning.** Traders are anticipating a sizeable reduction for soybean ending stocks in next week's WASDE Report, which is supporting the strong bullish tone from late last week. Despite the recent strengthening of the Canadian Dollar, cash soymeal has jumped roughly \$40/MT from just one week ago.

**Canadian delivered corn prices opened steady this morning.** Corn futures saw further weakness in the overnight session, as the US Corn Belt saw drier than expected weather over the weekend—helping ease 2009 acre concerns. The Canadian Dollar is nearing \$0.85 US this morning, helping to dilute last week's gains.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range		131.89	137.28	142.06	134.12	128.12	120.65	112.94	124.82
(Maple Leaf Sig. #3)		-	-	-	-	-	-	-	-
Estimated Hog Margin	-9.84	-5.27	-3.15	-0.57	-2.70	-2.90	-2.68	-0.27	2.22
Soymeal Delivered	489	478	480	482	462	406	405	405	410
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*

