

Tuesday, October 20, 2009

Hog Prices: ↑

Soymeal: ↑

Corn: ↔

Cdn Dollar: ↑

**Manitoba Pork Marketing's forward contract prices opened higher this morning.** US cash markets are trading higher, moving through the \$50/cwt barrier yesterday. Recent hog supplies are slightly less abundant than the USDA's September Hogs and Pigs forecast, but it's still too early to determine if there is a trend of tighter supplies. Lean Hog futures are seeing few price fluctuations after last week's round of fund buying, resulting in more bearish technical indicators threatening prices. Currently, the December contract is trading at a \$3.00/cwt premium to the current cash market, while it typically trades at a discount to the cash at this time of year. The Canadian Dollar continues to be the most significant factor impacting hog prices, with yesterday's rally of 75 basis points dropping hog prices by about \$0.80/ckg.

**Canadian delivered soymeal prices opened higher this morning.** Yesterday's USDA Crop Progress Report showed 30% of the soybean harvest complete, 42% below the 10-year average, but in line with expectations. This reaffirming news helped the soy complex make a moderate retreat in the overnight session—which is tempered somewhat by a lower Canadian Dollar this morning (below \$0.9550US at open).

**Canadian delivered corn prices opened steady this morning.** Corn made minimal harvest progress over the past week, with farmers focusing harvest efforts on soybeans. Crop conditions remain stable, with 70% of the crop still considered to be good/excellent. Corn futures are receiving support this morning from crude oil, with nearby's reaching a 12-month high overnight pushing above the \$80US mark.

US Slaughter	
436,000—Monday's	
432,000—Monday's (Year Ago)	
US Iowa/Sthrn MN	\$50.19
Western Corn Belt	\$50.78
Daily National Price	\$53.20
Daily Sig3(M.Leaf)	\$96.12
Daily Sig4(M.Leaf)	\$97.34
4-Month Fwd Avg	\$102.81
#1 Export Sows (+500lbs) \$22.75/cwt	
B of C Ex. Rate (Noon)	
\$1.0308 CAD / \$0.9701 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending October 16th, 2009	
42.32 / 93.29 Signature #3	
43.86 / 96.70 Signature #4	
41.06 / 90.53 MPMC Cash	
39.02 / 86.02 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.*

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		92.94	95.92 -	99.22 -	109.59 -	111.50 -	117.63 -	128.19 -	132.91 -
Estimated Hog Margin	-21.79	-18.76	-14.87	-7.78	-2.70	-1.70	3.18	11.00	12.20
Soymeal Delivered	390	374	374	367	367	367	369	369	369
Corn Delivered	163	163	165	167	169	171	173	175	179

## Rothsay Animal Vegetable Feed Fat

\$543/tonne ↑ (2 – 19 mt)

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

\*Price quoted is FOB Southeast Manitoba

