

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

Wednesday, December 09, 2009

Manitoba Pork Marketing's forward contract prices opened higher this morning. Packers continue to attempt to outbid the competition, resulting in another gain of \$1.50/cwt in US cash markets. Strong demand for the primal cuts destined for processing is providing the underlying support to the cash market, but weather related factors that could impede deliveries is also contributing to the gains. Lean Hog futures are not seeing the same influence from the cash market, with most of the 2010 contracts losing more than US\$2.00/cwt so far this week. However, most contracts are still trading near the contract highs as most have seen gains in excess of \$15.00/cwt over the last 4 months. The Canadian Dollar dropped well under \$0.94US yesterday, but the Loonie has rallied back most of this already this morning.

Canadian delivered soymeal prices opened lower this morning. Despite a weaker US Dollar overnight, the soy complex closed marginally lower—after seeing losses during Tuesday's session. The underlying bullish tone due to an expected drop in ending stocks in tomorrow's WASDE Report is seeing resistance from a positive crop outlook for South American soybeans thus far.

Canadian delivered corn prices opened steady this morning. Corn futures closed higher yesterday and overnight, after seeing losses since late last week. These gains are further amplified by a weaker Canadian Dollar, decreasing purchasing power. Producers are encouraged to schedule feed delivery well in advance of the Holiday season, as trucks are bound to become scarce in the coming weeks.

| US Slaughter | |
|---|----------|
| 426,000—Tuesday's | |
| 431,000—Tuesday's (Year Ago) | |
| US Iowa/Sthrn MN | \$61.95 |
| Western Corn Belt | \$62.04 |
| Daily National Price | \$61.95 |
| Daily Sig3(M.Leaf) | \$120.59 |
| Daily Sig4(M.Leaf) | \$116.61 |
| 4-Month Fwd Avg | \$125.72 |
| #1 Export Sows (+500lbs) \$29.05/cwt | |
| B of C Ex. Rate (Noon) | |
| \$1.0604 CAD / \$0.9430 US | |
| Cash Price (\$/cwt/ckg) | |
| Cash prices for week ending December 4th, 2009 | |
| 50.35 / 111.00 Signature #3 | |
| 50.14 / 110.53 Signature #4 | |
| 48.90 / 107.80 MPMC Cash | |
| 46.96 / 103.53 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.

| | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug |
|---|-------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Fixed Forward Range (Maple Leaf Sig. #3) | | 115.23 - 120.10 | 122.04 - 126.04 | 123.13 - 126.04 | 128.02 - 135.74 | 140.63 - 144.54 | 142.52 - 147.97 | 141.54 - 143.99 | 136.40 - 141.54 |
| Estimated Hog Margin | -7.31 | -1.97 | 3.02 | 3.86 | 7.84 | 14.76 | 16.27 | 14.99 | 12.55 |
| Soymeal Delivered | 406 | 394 | 388 | 388 | 389 | 389 | 391 | 391 | 394 |
| Corn Delivered | 162 | 164 | 166 | 168 | 170 | 172 | 174 | 176 | 178 |



Rothsay Animal Vegetable Feed Fat

\$513/tonne ↓ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

