

Wednesday, September 23, 2009

Hog Prices: ↓

Soymeal: ↓

Corn: ↔

Cdn Dollar: ↑

**Manitoba Pork Marketing's forward contract prices opened lower this morning.** Cash markets are eroding slowly this week as packers are finding it easy to source enough live supplies to meet their expanded production schedules. At its current pace, this week's slaughter would exceed the total slaughter in the same week last year. However, cash bids are down close to 40% from year ago levels, with the major difference coming from the lack of Chinese buying interest. Earlier this week the USDA released its Cold Storage Report for August and showed that pork supplies were up about 3% from August 08 levels. This number was smaller than many analysts had anticipated, indicating that export sales may also be performing better than expectations. Forward contract prices have improved to average close to \$100/ckg for the winter, but heavy hog supplies and a strong Canadian Dollar could depress the cash market to lower levels in this timeframe.

**Canadian delivered soymeal prices opened lower this morning.** Despite a lower US Dollar, soybeans went on to trade lower late in the overnight session. Traders are still mainly focused on the possibility of frost in the long range forecast and further supporting data could easily translate into a sharp rally. The 12 month average is around \$360/MT at open.

**Canadian delivered corn prices opened steady this morning.** After a strong rally yesterday, corn went on to trade marginally lower overnight. Downside potential remains limited as lower pricing will likely limit farmer selling. Some southern areas of the US should be looking to start harvesting this week, though that could be hampered by forecasted precipitation.

<b>US Slaughter</b>	
435,000—Tuesday's	
432,000—Tuesday's (Year Ago)	
US Iowa/Sthrn MN	\$49.62
Western Corn Belt	\$50.16
Daily National Price	\$54.69
Daily Sig #3 Est. (M.Leaf)	\$98.22
Daily Sig #4 Est. (M.Leaf)	\$103.71
<b>B of C Ex. Rate (Noon)</b>	
\$1.0683 CAD / \$.9361 US	
<b>Cash Price (\$/cwt/ckg)</b>	
Cash prices for week ending September 18th, 2009	
45.31 / 99.90 Signature #3	
46.57 / 102.66 Signature #4	
44.30 / 97.66 MPMC Cash	
41.49 / 91.46 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.*

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		91.57	82.75 -	83.45 -	92.26 -	103.04 -	104.99 -	111.36 -	124.68 -
Estimated Hog Margin	-25.37	-21.56	-21.48	-16.68	-8.56	-3.58	-2.56	2.89	11.49
Soymeal Delivered	382	359	356	356	360	360	360	363	363
Corn Delivered	145	148	145	147	149	151	153	155	157



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