

Thursday, October 01, 2009

Hog Prices: ↓

Soymeal: ↑

Corn: ↔

Cdn Dollar: ↑

| US Slaughter | |
|--|----------|
| 433,000—Wednesday's | |
| 427,000—Wednesday's (Year Ago) | |
| US Iowa/Sthrn MN | \$47.37 |
| Western Corn Belt | \$48.23 |
| Daily National Price | \$53.45 |
| Daily Sig #3(M.Leaf) | \$94.79 |
| Daily Sig #4(M.Leaf) | \$101.73 |
| #1 Export Sows (+500lbs) \$21.10/cwt | |
| B of C Ex. Rate (Noon) \$1.0722 CAD / \$0.9327 US | |
| Cash Price (\$/cwt/kg) Cash prices for week ending September 25th, 2009 | |
| 44.98 / 98.95 Signature #3 | |
| 47.18 / 104.01 Signature #4 | |
| 44.28 / 97.61 MPMC Cash | |
| 40.82 / 89.99 Springhill | |

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Manitoba Pork Marketing's forward contract prices opened lower this morning. US cash markets are dropping their bids as live supplies are ample enough to meet their slaughter requirements. Over the last several weeks, market hog numbers have been running just under year ago levels, in line with last week's USDA market hog inventory estimates. Due to the heavier weights, recent levels of pork production have easily exceeded that of 2008. Lean Hog futures are trading lower, pressured by the bearish trend in wholesale pork prices and the weaker technical indicators. Traders have left the deferred month contracts relatively unchanged from earlier in the week as many of the 2010 contracts benefitted from the USDA forecast for smaller supplies in the spring of 2010.

Canadian delivered soymeal prices opened higher this morning. After moving marginally higher yesterday, a higher US Dollar helped the soy complex trade lower in the overnight session. The Canadian Dollar is still above the \$0.93US mark at open, helping to increase purchasing power but not enough to neutralize recent gains.

Canadian delivered corn prices opened steady this morning. Yesterday's sharp rally for crude oil pricing helped push corn futures to close higher. Minimal harvesting of the corn crop is taking place in the US Mid-West in favour of the soybean crop. This morning's USDA Export Sales Report showed some bullish numbers for corn—with sales up 82% from last week.

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun |
|----------------------|---------|--------|--------|--------|--------|--------|---------|--------|--------|
| Fixed Forward Range | | 83.30 | 83.97 | 92.78 | 103.74 | 105.70 | 112.0.6 | 125.18 | 130.07 |
| (Maple Leaf Sig. #3) | | - | - | - | - | - | - | - | - |
| | | 89.21 | 90.19 | 102.57 | 107.66 | 107.66 | 121.26 | 132.52 | 136.56 |
| Estimated Hog Margin | -22.15 | -21.88 | -17.27 | -9.73 | -4.34 | -3.16 | 2.11 | 10.52 | 12.16 |
| Soymeal Delivered | 392/383 | 367 | 367 | 368 | 363 | 363 | 363 | 363 | 363 |
| Corn Delivered | 155 | 155 | 157 | 159 | 161 | 163 | 165 | 167 | 169 |



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rhonda.coupland@gov.mb.ca