

Thursday, October 29, 2009

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

Manitoba Pork Marketing's forward contract prices opened higher this morning. US cash markets are trading slightly lower this morning, with little variability between cash market regions. Packers have a growing incentive to increase their production schedule for this week as wholesale pork prices have rallied to their highest level in weeks, while cash bids have seen little upside recently. Lean Hog futures continued their positive trend, with the December contract trading at its highest level since mid-July. Traders are referencing better than expected wholesale pork demand and fund buying as rationale for the strength. The Canadian Dollar also contributed to improved cash and forward prices with the Loonie dipping down to the lowest level in more than three weeks based on threats of the Bank of Canada intervening in the markets to weaken the currency.

Canadian delivered soymeal prices opened higher this morning. A lower US Dollar and fund buying helped the soy complex continue its gains from yesterday into the overnight session. A weaker Canadian Dollar is decreasing purchasing power and adversely affecting the cash price. A 12-month delivered average is now sitting at roughly \$373/MT.

Canadian delivered corn prices opened higher this morning. This morning's USDA Export Sales Report showed a 56% increase from last week—though this is still just under half of what analysts were predicting for high-end estimates. Strength was seen overnight from the lower US Dollar, gains are amplified in the cash price by the recent weakness seen for the Canadian Dollar.

US Slaughter	
430,000	—Wednesday's
437,000	—Wednesday's (Year Ago)
US Iowa/Sthrn MN	\$51.62
Western Corn Belt	\$51.59
Daily National Price	\$55.53
Daily Sig3(M.Leaf)	\$101.71
Daily Sig4(M.Leaf)	\$106.02
4-Month Fwd Avg	\$110.32
#1 Export Sows (+500lbs)	\$23.40/cwt
B of C Ex. Rate (Noon)	
\$1.0756 CAD / \$0.9274 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending October 23rd, 2009	
44.73 / 98.61	Signature #3
45.22 / 99.69	Signature #4
42.74 / 94.23	MPMC Cash
40.51 / 89.31	Springhill

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	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		96.41 - 104.04	105.31 - 115.20	113.52 - 119.16	115.51 - 117.48	121.94 - 129.26	133.21 - 140.63	138.13 - 142.61	139.04 - 140.07
Estimated Hog Margin	-19.62	-15.37	-8.38	-3.16	-1.91	3.34	11.38	12.84	12.30
Soymeal Delivered	400	391	374	371	371	366	366	365	365
Corn Delivered	165	167	169	171	173	175	177	179	181

Rothsay Animal Vegetable Feed Fat

\$558/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

