

Friday, November 20, 2009

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

Manitoba Pork Marketing's forward contract prices opened lower this morning.

US cash markets finished the week down sharply as expectations of firmer bids failed to pan out based on a better than expected marketing of slaughter hogs. US packers are expected to kill about 2.3 million hogs this week, doing little to make up for next week's reduced production schedule due to the US Thanksgiving holiday. This could result in lower cash bids for the first half of next week, while bids may increase as packers could slaughter more than 300K hogs next Saturday. Lean Hog futures have lost all of their early week gains from strong export sales, but the December contract is trading at a 10% premium over the current cash market. The Canadian Dollar is trading in the middle of the last month's trading range but is trending lower based on lower commodity prices and a stronger US Dollar.

<u>Weekly Comparison</u>	
WCB Cash (cwt)	- \$1.41
ISM Cash (cwt)	- \$1.19
Forward Prices (ckg)	- \$1-5
CDN Dollar (Per US\$)	- 0 .0107

Canadian delivered soymeal prices opened lower this morning. Soymeal futures are trading lower this morning but futures are still up more than 10% from the lows seen last week. Soybean markets are seeing little influence from harvest pressures as the crop is largely in the bin. However, soybean export sales surpassed most analysts' expectations this week, providing the bullish support to the whole complex.

Canadian delivered corn prices opened lower this morning. Weakness in Crude Oil this week has prevented Corn futures from making any significant advances over last week's prices. Corn is tied to Crude Oil as it can be used as ethanol and as a substitute in gasoline production. Technically, the corn charts reveal a possible bearish trend into next week if today's trade finishes lower.

<u>US Slaughter</u>	
435,000	Thursday's
438,000	Thursday's (Year Ago)
US Iowa/Sthrn MN	\$50.68
Western Corn Belt	\$50.71
Daily National Price	\$55.83
Daily Sig3(M.Leaf)	\$98.88
Daily Sig4(M.Leaf)	\$105.42
4-Month Fwd Avg	\$114.80
#1 Export Sows (+500lbs)	\$37.50/cwt
B of C Ex. Rate (Noon)	
\$1.0638 CAD / \$0.9400 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending November 20th, 2009	
44.97 / 99.15	Signature #3
47.76 / 105.30	Signature #4
44.29 / 97.64	MPMC Cash
41.05 / 90.50	Springhill

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	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)		99.03	107.79	116.16	118.14	124.47	135.18	139.65	140.14
		-	-	-	-	-	-	-	-
		103.41	117.53	121.42	120.08	131.28	141.02	144.43	141.11
Estimated Hog Margin	-12.63	-12.70	-4.27	-0.01	0.04	5.49	13.39	15.29	14.64
Soymeal Delivered	420	415	398	391	391	387	387	387	387
Corn Delivered	170	172	174	176	178	180	182	184	186



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