

Tuesday, December 01, 2009

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

Manitoba Pork Marketing's forward contract prices opened lower this morning. US cash markets are trading higher this morning following yesterday's surprise gains to packer bids. Hog prices have moved steadily higher over the last week despite the reduced number of hours in all packers' production schedules due to US Thanksgiving. The pork cut-out has maintained strong levels as well, with the current values running at a 15% premium over the lows set in mid-August. Cuts destined for further processing such as hams, picnics and bellies have been the most supportive to carcass values. Yesterday, Lean Hog futures were unable to maintain the gains experienced last week, however, the firmer cash market has prevented a complete reversal. Confirmation that the Canadian economy grew in the 3rd Quarter rallied the Canadian Dollar and impacted hog prices negatively.

Canadian delivered soymeal prices opened lower this morning. A weaker US Dollar, support from outside markets and fund buying helped the soy complex move higher overnight. The Canadian Dollar is trading around \$0.9575 US at open, offsetting the gains for the soymeal complex—bringing the 12-month average down to roughly \$385/MT.

Canadian delivered corn prices opened lower this morning. Yesterday's USDA Crop Progress Report came in below expectations, with only 79% harvested when progress was anticipated to be in the mid-80's. After closing higher yesterday, corn futures only saw a marginal gain overnight. Fund buying remains sluggish, which coupled with the high Canadian Dollar could create a buying opportunity.

US Slaughter	
431,000—Monday's	
433,000—Monday's (Year Ago)	
US Iowa/Sthrn MN	\$56.93
Western Corn Belt	\$57.15
Daily National Price	\$58.18
Daily Sig3(M.Leaf)	\$110.77
Daily Sig4(M.Leaf)	\$109.20
4-Month Fwd Avg	\$122.55
#1 Export Sows (+500lbs) \$32.75/cwt	
B of C Ex. Rate (Noon)	
\$1.0574 CAD / \$0.9457 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending November 27th, 2009	
48.26 / 106.40 Signature #3	
47.80 / 105.38 Signature #4	
46.72 / 103.00 MPMC Cash	
45.17 / 99.58 Springhill	

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	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Fixed Forward Range (Maple Leaf Sig. #3)		110.17	120.98	121.06	126.78	137.43	138.82	138.72	134.46
		-	-	-	-	-	-	-	-
		119.73	124.80	124.80	132.59	141.31	144.70	140.27	138.72
Estimated Hog Margin	-7.82	-0.75	3.15	3.42	7.73	14.72	16.42	15.09	12.74
Soymeal Delivered	419	401	392	392	383	383	384	384	383
Corn Delivered	171	173	175	177	179	181	183	185	187



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