

Hog Prices: ↓

Soymeal: ↓

Corn: ↑

Cdn Dollar: ↑

Tuesday, December 22, 2009

Manitoba Pork Marketing's forward contract prices opened lower this morning. All measures of the US hog markets are lower with all cash market regions, carcass cut-out values and futures starting the week with significant losses. The holiday reduced slaughter schedule is having a negative impact on cash hog prices, but could encourage a rally in wholesale pork prices due to a short term reduction in pork. Pork demand over the last month has exceeded expectations, taking the carcass cut-out to the highest level seen in 2009. However, it is still uncertain if the rally was "holiday demand" induced, and whether the market can sustain itself at current price levels. Lean hog futures are reflecting more pessimism on this question as the nearby contracts were sharply lower yesterday and are continuing the lower trend.

Canadian delivered soymeal prices opened lower this morning. Soybeans saw sharp losses yesterday, with futures closing at the lowest level seen in more than a month. These losses were nearly reversed late in the overnight session. Areas of Brazil with already high soil moisture are expected to see rain later this week, which could negatively affect crop conditions—though the underlying tone still remains bearish.

Canadian delivered corn prices opened higher this morning. A storm system is forecasted to push through much of the Northern portion of the US Corn Belt towards the weekend, affecting areas that are still struggling to wrap up harvesting. Weather and overall quality concerns with this year's crop are continuing to put pressure on futures, moving the March contract above the 400 mark yesterday.

US Slaughter	
434,000—Monday's	
429,000—Monday's (Year Ago)	
US Iowa/Sthrn MN	\$60.64
Western Corn Belt	\$60.86
Daily National Price	\$65.48
Daily Sig3(M.Leaf)	\$118.18
Daily Sig4(M.Leaf)	\$123.14
4-Month Fwd Avg	\$124.73
#1 Export Sows (+500lbs) \$26.65/cwt	
B of C Ex. Rate (Noon)	
\$1.0594 CAD / \$0.9439 US	
Cash Price (\$/cwt/ckg)	
Cash prices for week ending December 18th, 2009	
56.16 / 123.82 Signature #3	
55.43 / 122.19 Signature #4	
53.70 / 118.39 MPMC Cash	
51.59 / 113.73 Springhill	

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	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)	116.12	118.07 -	118.78 -	123.64 -	136.58 -	139.50 -	138.76 -	133.70 -	124.46 -
Estimated Hog Margin	-0.31	2.84	4.19	8.07	15.41	16.97	15.27	13.01	7.50
Soymeal Delivered	386	377	377	373	373	372	372	373	369
Corn Delivered	167	169	171	173	175	177	179	181	183



Rothsay Animal Vegetable Feed Fat

\$563/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

