

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

Thursday, December 31, 2009

Manitoba Pork Marketing's forward contract prices opened lower this morning. US cash markets jumped sharply higher as packers have been forced to increase bids in order to meet their kill requirements. Meanwhile producers are falling behind in their deliveries due to the disruptions to their marketings both this week and last. Yesterday's USDA Hogs and Pigs report revealed no surprises to the hog supply for 2010. All major categories were close to the average industry estimate, however most of the USDA numbers reflected larger supplies than was expected. As a result of the report, most of the 2010 contracts opened lower, with the summer and fall contracts seeing the biggest declines. Please be aware that forward contracting closes at 11:00am this morning and will not reopen until Monday January 4, 2010.

Canadian delivered soymeal prices opened higher this morning. Soymeal futures are trading higher today as the best start in export sales for a crop year continues to figure prominently in the market. Holding prices back however, are the reductions in livestock production that will have an impact on domestic consumption.

Canadian delivered corn prices opened higher this morning. Corn futures are trading higher as the weaker US Dollar helps the value of all commodities. The predominant feature in today's trade will be year end positioning of the large hedge funds, which can move the market in either direction.

| US Slaughter | |
|--|----------------------------|
| 432,000 | —Wednesday's |
| 374,000 | —Wednesday's (Year Ago) |
| US Iowa/Sthrn MN | \$63.75 |
| Western Corn Belt | \$63.85 |
| Daily National Price | \$62.71 |
| Daily Sig3(M.Leaf) | \$123.18 |
| Daily Sig4(M.Leaf) | \$118.25 |
| 4-Month Fwd Avg | \$128.61 |
| #1 Export Sows (+500lbs) | \$26.45/cwt |
| B of C Ex. Rate (Noon) | |
| \$1.0525 CAD / \$0.9501 US | |
| Cash Price (\$/cwt/kg) | |
| Cash prices for week ending December 25th, 2009 | |
| 52.76 / 116.32 | Signature #3 |
| 55.05 / 121.37 | Signature #4 |
| 52.23 / 115.14 | MPMC Cash |
| 50.10 / 110.44 | Springhill |

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| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep |
|---|------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Fixed Forward Range (Maple Leaf Sig. #3) | | 120.62 - 124.46 | 121.79 - 124.46 | 126.62 - 133.88 | 138.72 - 142.59 | 141.55 - 145.97 | 140.78 - 142.03 | 136.71 - 139.81 | 127.52 - 130.04 |
| Estimated Hog Margin | 0.09 | 3.47 | 5.10 | 9.62 | 17.14 | 18.73 | 17.37 | 14.52 | 8.68 |
| Soymeal Delivered | 400 | 392 | 392 | 383 | 383 | 387 | 387 | 383 | 378 |
| Corn Delivered | 170 | 172 | 174 | 176 | 178 | 180 | 182 | 184 | 186 |



Rothsay Animal Vegetable Feed Fat
\$563/tonne ↑ (2 – 19 mt)

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