

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

Forward contract prices opened lower this morning.

US packers are maintaining their cash bids, with near term supplies projected to be ample. With the pork cut-out coming under some pressure, packers will looking to protect their margins before they lose them, resulting in a matching of bids to the trend in wholesale pork prices. Yesterday, the USDA released their Cold Storage report, reflecting supplies at the end of September. Total pork supplies in storage were 28% higher than year ago, and 8% higher than levels seen at the end of August. The large increase in supply was not a surprise to traders as last month's production exceeded year ago levels by more than 6%, while exports have slowed considerably. Of all the primal cuts in the report, pork belly inventories gained the most, up 79% over year ago levels. The Canadian Dollar is trading only marginally higher than its US counterpart, and at its lowest level in 2 months.

| US Slaughter | |
|--|--------------------------|
| 435,000 – Monday's | |
| 427,000 – Monday's (year ago) | |
| Western Corn Belt | \$82.52 |
| Daily National Price | \$85.75 |
| Daily Sig3(M.Leaf) | \$150.32 |
| Daily Sig4(M.Leaf) | \$151.27 |
| Thunder Creek | \$150.97 |
| 4-Month Fwd Avg | \$1.4139 |
| #1 Export Sows (+500lbs) | \$41.05 cwt |
| B of C Ex. Rate (Noon) | \$0.9938CAD / \$1.0062US |
| Cash Prices: Week Ending October 19th, 2012 | |
| 66.85/147.37 | Signature #3 |
| 66.75/147.15 | Signature #4 |
| 65.91/145.31 | h@ms Cash |
| 68.84/142.95 | Hylife |
| 65.54/144.50 | Thunder Creek |
| ISO Weans | \$34.86 US Avg |
| Feeder Pigs | \$30.40US Avg |

| 2012 Annual Fall Marketing Meetings | | | |
|-------------------------------------|--------|---------|--|
| Manitoba | Date | Time | Location |
| Brandon | 31-Oct | Noon | Royal Oak Inn & Suites, 3130 Victoria Avenue |
| Starbuck | 01-Nov | 1:00 PM | Starbuck Community Hall, 25 Main Street |
| Steinbach | 02-Nov | Noon | The Village Green Restaurant, 350 Park Road East |
| Saskatchewan | Date | Time | Location |
| Swift Current | 08-Nov | Noon | Wong's Kitchen, 320 S Service Road East |
| Saskatoon | 09-Nov | Noon | Sandman Hotel, 310 Circle Drive West |

Canadian delivered soymeal prices opened lower this morning.

The soybean complex traded lower in the overnight session, taking back most of the gains experienced yesterday. Traders are becoming increasingly interested in the weather in South America, as North America wraps up its soybean harvest. Any adverse weather forecasts could trigger a sharp rally in the 2013 contracts, reflecting the already tight world supply.

Canadian delivered corn prices opened lower this morning.

Corn futures are trading lower this morning. Pressure on commodities due to lower overnight stock market trading and losses on the Dow are largely responsible for the decrease. Extremely weak exports continue to be the factor preventing Corn from rallying to reflect the tight supplies. USDA reported Sunday that the US corn harvest was 87 percent complete.

| | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May | Jun | Jul |
|--|-----|-----|--------|--------|--------|--------|--------|--------|--------|--------|
| Fixed Forward Range (Maple Leaf Sig. #3) | | | 131.18 | 133.19 | 145.03 | 147.40 | 152.30 | 169.19 | 174.21 | 175.87 |
| (Maple Leaf Sig. #4) | | | 132.49 | 135.94 | 145.03 | 146.88 | 152.52 | 165.26 | 172.33 | 173.06 |
| | | | 137.60 | 141.68 | 148.91 | 150.41 | 163.31 | 173.65 | 175.42 | 175.72 |
| Soymeal Delivered | 539 | 539 | 539 | 543 | 543 | 543 | | | | |
| Corn Delivered | 299 | 299 | 302 | | | | | | | |

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