

Friday, August 05, 2011

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

US Slaughter	
403,000 – Thursday's	
404,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$106.29
Western Corn Belt	\$105.97
Daily National Price	\$104.09
Daily Sig3(M.Leaf)	\$189.72
Daily Sig4(M.Leaf)	\$180.45
4-Month Fwd Avg	\$154.86
#1 Export Sows (+500lbs) \$44.00cwt	
B of C Ex. Rate (Noon) \$0.9767 CAD / \$1.0238 US	
Cash Prices: Week Ending August 5th, 2011	
82.95/182.87 Signature #3	
79.47/175.19 Signature #4	
81.17/178.95 H@ms Cash	
n/a Hylife	

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Forward contract prices opened higher this morning. U.S. cash markets moved steadily higher all week, as tight hog supplies combined with a large order from China drove packers to increase bids. All of the cash market regions broke into record highs, and they all surpassed the highest Lean Hog futures price that corresponded with the first week of August. The pork cut-out dropped slightly to just over \$108/cwt, with recent strength coming from hams, bellies and loins. Traders have been unwilling to match gains in the cash market for the October and December contracts, as they remain apprehensive that China's influence on pork prices will continue to be as significant in two months. The Canadian Dollar is trading lower again this morning after dropping close to 2 cents in yesterday's trade as traders flocked to the safe haven of the U.S. Dollar. Stock markets took their biggest loss in over 2 years yesterday as uncertainty with the European Debt Crisis had traders fearing another global recession.

Canadian delivered soymeal prices opened lower this morning. Risk aversion appears on the horizon, pushing down soybean prices as worries about global economic slowdown and yield seem to be the forefront of concern. Soybeans went down in overnight trading 6 ½ cents at \$13.32 ¾ a bushel. Yield potential is becoming the primary market consideration, with forecasted weather a concerning factor. The upcoming crop report will help to clarify expectations.

Canadian delivered corn prices opened lower this morning. Corn dropped 7 1/2 cents, or 1.1%, to \$6.94 a bushel in overnight trading. The U.S. Department of Agriculture crop reports come out next week, their projection of harvest should bring better insight amidst the current volatility corn has been exposed to.

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		162.15 164.40	156.29 163.48	148.20 154.14	149.19 153.69	150.03 157.23	156.78 159.93	155.70 157.95	156.57 166.01
(Maple Leaf Sig. #4)		161.81 163.37	155.87 160.23	147.34 152.48	149.96 152.04	149.64 153.47	155.91 156.87	153.73 156.87	154.92 162.42
Soymeal Delivered	387	393	396	397	397	403	412	412	
Corn Delivered	284	284							



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