

Friday, September 02, 2011

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

<b>US Slaughter</b>	
415,000—Thursday's	
407,000 —Thursday's (year ago)	
US Iowa/Sthrn MN	\$83.50
Western Corn Belt	\$83.60
Daily National Price \$93.95	
Daily Sig3(M.Leaf)	\$149.44
Daily Sig4(M.Leaf)	\$162.63
4-Month Fwd Avg	\$143.13
#1 Export Sows (+500lbs) \$55.50 cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9752 CAD / \$1.0254 US	
<b>Cash Prices: Week Ending September 2nd, 2011</b>	
71.38/157.36 Signature #3	
76.47/168.59 Signature #4	
71.74/158.16 H@ms Cash	
n/a Hylife	

*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited*

**Forward contract prices opened lower this morning.** U.S. cash markets are finishing the week sharply lower as producers continue to increase their marketings in line with the improvement in growth rates. The pork cut-out is providing little incentive for packers to increase their slaughter schedule as wholesale pork prices have experienced declines in excess of 10% over the last two weeks. All of the primal cuts are weaker, with the early supply increases easily outpacing demand. Lean Hog futures will continue to see direct influence from the cash market until such time that the cash market stabilizes. Futures are now trading at a slight premium to the cash market, implying that traders believe that cash prices will firm up over the next month. The Canadian Dollar continues to rally, but the results of today's U.S. jobs data will determine today's trade.

**Canadian delivered soymeal prices opened mixed this morning.** Soybeans weekly export sales were 593,800 tonnes, this is within trade expectations, but at the higher end. Coming into the weekend it looks like rain for the central Midwest, followed by dryness for the next few weeks, fueling concerns that we will see another drop in the percentage of crop rated good to excellent by 1-2%.

**Canadian delivered corn prices opened higher this morning.** The corn yield forecast by a prominent brokerage was slashed by 5% from last month to 146.3 bushels per acre, compared to the last USDA forecast of an average yield of 153 bushels per acre. The forecasted drop in yield is causing concern about ending stocks and the possibility of an additional spike in prices. On the demand side, crude oil is down amid concerns about economic slowdown pushing down on price.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		143.82 151.03	136.69 142.65	137.68 142.19	142.08 149.31	148.86 152.74	150.93 153.19	151.54 161.01	164.98 168.59
(Maple Leaf Sig. #4)		145.30 149.66	137.78 142.85	140.40 142.50	143.01 146.86	148.61 152.81	149.66 152.81	150.59 158.10	162.47 167.88
Soymeal Delivered	414	417	424	424	434				
Corn Delivered	300								



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