

Tuesday, September 06, 2011

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

US Slaughter	
2.12 Mill—Last Week's	
2.12 Mill —Last Week's (year ago)	
US Iowa/Sthrn MN	\$82.39
Western Corn Belt	\$82.07
Daily National Price	\$92.49
Daily Sig3(M.Leaf)	\$147.65
Daily Sig4(M.Leaf)	\$161.13
4-Month Fwd Avg	\$143.35
#1 Export Sows (+500lbs)	\$55.50 cwt
B of C Ex. Rate (Noon)	
\$0.9815 CAD / \$1.0188 US	
Cash Prices: Week Ending September 2nd, 2011	
71.38/157.36 Signature #3	
76.47/168.59 Signature #4	
71.74/158.16 H@ms Cash	
74.64/164.56 Hylife	

Forward contract prices opened lower this morning. U.S. cash markets are expected to open lower to start this trading week, with supplies ample to meet packer needs. Last week's slaughter was estimated at 2.129 million hogs, slightly larger than the same week last year. While projections for this week's slaughter are near 1.9 million hogs, due to yesterday's holiday. Corn markets have had a bullish impact on Lean Hog futures recently, with the understanding that the price of corn is a primary influence on hog farmers' long term production decisions. Friday's report on U.S. jobs showed that no new jobs were created in August, triggering fears of a return to a recession. This is having a bearish influence on forward contract prices as traders believe demand will be negatively impacted. The Canadian Dollar is trading sharply lower this morning, currently 50 basis points higher than par value with the U.S. Dollar, based on the same weak job report.

Canadian delivered soymeal prices opened lower this morning. Soybean demand is something to be concerned with as the world economy seems to be struggling, that in combination with a stronger U.S. dollar and a hearty harvest from South America. Holding it together is the yield uncertainty. The weekly export inspections report by the USDA will be released tomorrow, as well as a weekly crop progress report.

Canadian delivered corn prices opened mixed this morning. Crude oil is down and the U.S. dollar gains are making corn less appealing for export. Offsetting that is actual yield expectations from the cruel summer weather. A private firm is set to issue estimates today. The USDA will release an update Monday on yield forecasts.

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

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		143.95 148.05	136.84 142.86	137.85 142.40	142.28 149.58	149.12 153.50	151.68 153.96	152.39 161.96	165.97 169.61
(Maple Leaf Sig. #4)		145.49 149.55	137.99 143.11	140.63 142.75	143.26 147.14	148.91 153.59	150.41 153.59	151.45 159.04	163.45 168.92
Soymeal Delivered	413	416	423	423	433				
Corn Delivered	307	307							



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