

Wednesday, September 07, 2011

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

US Slaughter	
428,000—Tuesday's	
425,000 —Tuesday's (year ago)	
US Iowa/Sthrn MN	\$82.17
Western Corn Belt	\$81.96
Daily National Price	\$90.77
Daily Sig3(M.Leaf)	\$148.88
Daily Sig4(M.Leaf)	\$159.67
4-Month Fwd Avg	\$143.38
#1 Export Sows (+500lbs)	\$53.00 cwt
B of C Ex. Rate (Noon)	
\$0.9910 CAD / \$1.0090 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	

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Forward contract prices opened steady this morning. U.S. cash markets continue on their slide to lower prices as hog supplies remain abundant when compared to packer demand. The pork cut-out is providing little in the way of support to cash bids, but some of the primal cuts are starting to see strength after all cuts have been pressured by the heavier supplies. Lean Hog futures saw sharp losses yesterday, triggered by perceived weakness in the economy. Futures played catch-up as U.S. cash prices have fallen more than 20% over the last month, while futures were down by only 10%. This morning's trade has shown some resilience after yesterday's weakness, gaining about a third of the losses back. The Canadian Dollar is seeing acute pressure by global investors searching for a safe haven from Europe's ongoing debt crisis.

Canadian delivered soymeal prices opened higher this morning. Predicted soybean crop condition declined one percentage point in the good to excellent rating of the USDA weekly crop progress report. The hot, dry summer took its toll, however late rains and cooler temperatures should remedy the pod filling stage for the existing soybeans.

Canadian delivered corn prices opened higher this morning. The percentage of the US corn crop rated good to excellent declined 2% from last week's rating of 54% in yesterday's USDA Crop Progress report. The report also showed that 18% of the crop has reached maturity. With the high prices, in part due to the tight supply, exports are slowing and demand from livestock feeders is lessening as they turn to alternatives, such as wheat.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Fixed Forward Range (Maple Leaf Sig. #3)		143.38 147.46	137.03 143.02	138.03 142.56	142.54 149.80	149.35 154.57	152.75 155.02	153.70 163.24	167.66 171.30
(Maple Leaf Sig. #4)		144.91 148.95	138.14 143.24	140.78 142.89	143.48 147.35	149.11 154.60	151.44 154.60	152.71 160.28	165.08 170.54
Soymeal Delivered	409	412	419	419	429				
Corn Delivered	307	307							



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