

Friday, September 16, 2011

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

US Slaughter	
428,000	—Thursday's
425,000	—Thursday's (year ago)
Western Corn Belt	\$87.55
Daily National Price	\$87.78
Daily Sig3(M.Leaf)	\$158.38
Daily Sig4(M.Leaf)	\$153.78
4-Month Fwd Avg	\$146.01
#1 Export Sows (+500lbs)	\$52.50 cwt
B of C Ex. Rate (Noon)	
\$0.9869 CAD / \$1.0132 US	
Cash Prices: Week Ending September 16th, 2011	
70.88/156.26	Signature #3
69.77/153.81	Signature #4
69.70/153.65	h@ms Cash
n/a	Hylife
ISO Weans \$15-44US	
Feeder Pigs \$29-40US	

Forward contract prices opened higher this morning. U.S. cash markets are trading higher again this morning with strong packer demand being impetus for the recent rally. Packers are benefitting from strong demand from Chinese buyers and are motivated to build ham inventories now, in advance of the seasonal peak expected in just over a month. When this year's corn crop starts making its way into market hog rations, supply of market ready hogs could outpace packer demand and result in a downward trend. For now, Lean Hog futures are seeing support from the cash market and from stronger cattle futures, as the beef supply outlook and export sales support both nearby and deferred contracts. The Canadian Dollar has been range bound for the last 6 weeks, the fundamentals of the Canadian economy are taking a back seat to news on the European Debt Crisis and a new US jobs and stimulus package to be introduced to congress shortly.

Canadian delivered soymeal prices opened mixed this morning. The farm Service Agency data projected revised harvested acres. This data is criticized because only those in government programs must report their data. There are quite a few producers who are not in the programs and do not have to report anything. FSA showed soybean plantings as 73.58 million acres, while the USDA estimate in September was 75 million.

Canadian delivered corn prices opened higher this morning. Corn prices are supported as speculators appear to have taken gains on their previously sold positions. December corn has been on a bearish streak since its contract high of ~\$7.80/bushel last month. Weekly export sales report illustrated corn sales are at 34.4% of the USDA forecast for 2011/12.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Fixed Forward Range (Maple Leaf Sig. #3)		149.93	139.80	140.80	141.53	151.92	155.53	157.81	169.63	167.82
		150.38	145.77	145.32	151.02	155.08	156.89	166.32	174.16	173.71
(Maple Leaf Sig. #4)		151.22	140.81	143.43	143.35	151.58	154.11	155.71	166.55	168.56
		152.10	145.88	145.53	148.43	155.16	156.39	163.25	173.30	172.77
Soymeal Delivered	381	384	390	390	401					
Corn Delivered	292	280								

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