

Tuesday, September 27, 2011

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

US Slaughter	
425,000	—Monday's
412,000	—Monday's (year ago)
Western Corn Belt	\$89.35
Daily National Price	\$90.89
Daily Sig3(M.Leaf)	\$169.33
Daily Sig4(M.Leaf)	\$166.79
4-Month Fwd Avg	\$152.79
#1 Export Sows (+500lbs)	\$54.00cwt
B of C Ex. Rate (Noon)	
\$1.0339 CAD / \$0.9672 US	
Cash Prices: Week Ending September 23rd, 2011	
74.28/163.75	Signature #3
72.12/158.99	Signature #4
72.83/160.56	h@ms Cash
71.11/156.77	Hylife
ISO Weans \$16-41US	
Feeder Pigs \$27-42US	

**Forward contract prices opened higher this morning.** U.S. cash markets improved yesterday to start the week, consistent with the recent cash market trend, but counter to normal seasonality. Abundant hog supplies have done little to slowdown packer bids, with export markets providing the increased demand to offset supply. Lean Hog futures have avoided much of the volatility that has plagued other commodities and financial markets over the last several weeks. In fact, the winter month contracts have been range bound in a \$5.00 band for the last month while other commodities have lost in excess of 15% their value. This morning, the Canadian Dollar is in a fast recovery from hitting the lowest level in a year in yesterday's trade. Global markets are getting buoyed by ideas that European regulators will come up with a plan to avoid a damaging chain reaction in sovereign debt markets across the south of Europe.

**Canadian delivered soymeal prices opened higher this morning.** Soybeans were noted to be 5% harvested as of Sunday, which is six percentage points below average, according to the USDA report. Only 58% of the crop is mature and has dropped leaves, this is 10% below normal range. At this point September may have the largest price decline for the nearby November contract since 1980, according to Doane Advisory Service market personnel.

**Canadian delivered corn prices opened higher this morning.** USDA reported corn as 15% harvested as of Sunday. The decline in prices appears to be attracting buyers as the Korean Feed Association purchased 110,000 metric tons. There is speculation China may become a large purchaser, as they can now profitably import U.S. corn.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Fixed Forward Range (Maple Leaf Sig. #3)		155.37	145.40	146.43	146.71	158.15	159.09	161.74	174.27	173.33
		155.37	151.58	151.11	156.55	161.71	160.49	170.67	178.50	179.44
(Maple Leaf Sig. #4)		157.30	147.33	150.05	150.42	158.68	158.68	160.99	170.67	174.13
		157.30	152.40	152.04	155.51	159.50	160.68	167.72	176.49	178.13
Soymeal Delivered	377	372	372	372	379					
Corn Delivered	284	284								

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**Rothsay Animal Vegetable Feed Fat**

**\$935 tonne ↓ (2 – 19 mt)**

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