

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

Friday, September 30, 2011

US Slaughter	
423,000 –Thursday's	
411,000 –Thursday's (year ago)	
Western Corn Belt	\$90.31
Daily National Price	\$91.00
Daily Sig3(M.Leaf)	\$171.13
Daily Sig4(M.Leaf)	\$166.99
4-Month Fwd Avg	\$157.36
#1 Export Sows (+500lbs)	\$54.00cwt
B of C Ex. Rate (Noon)	
\$1.0338 CAD / \$0.9673 US	
Cash Prices: Week Ending September 30th, 2011	
75.89/167.31	Signature #3
75.51/166.47	Signature #4
74.89/165.10	h@ms Cash
n/a	Hylife
ISO Weans \$16-41US	
Feeder Pigs \$27-42US	

Forward contract prices opened higher this morning. U.S. cash markets jumped higher by more than \$1.50 in most regions yesterday, with packers finding strong support from wholesale pork prices likely originating from strong export demand. Both hog numbers and weights have rocketed higher in the last two weeks, but if Wednesday's Hogs and Pigs report is correct, we can expect a leveling off of both. Lean Hog futures moved sharply higher in trade yesterday, triggered in part by the strong cash market, then consolidating the gains on technical analysis based speculation. Most of the 2012 contracts have moved within \$2.00/cwt of contract highs, in spite of the USDA's estimate of a growing market hog supply. Currency traders continue to flock to the U.S. Dollar on concerns of a looming European debt crisis. The Canadian Dollar has fallen about 10 cents in the last 2 months, taking our currency to the lowest level in over a year.

Canadian delivered soymeal prices opened steady this morning. Soymeal sales are currently at 42.3% of USDA's 2011/12 forecast for the year, versus the five year average of 39.5%. Yields are better than expected and the forecast is for drier weather over the next few weeks across the U.S. Midwest.

Canadian delivered corn prices opened lower this morning. Government reports illustrated corn inventories are larger than anticipated. USDA had total U.S. supplies at 1.128 billion bushels as of Sept 1. South Korea has capitalized on the price descent purchasing at least 15 cargoes of corn in the last 2 weeks.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Fixed Forward Range (Maple Leaf Sig. #3)			152.22	153.27	150.13	160.00	160.96	162.92	173.92	172.97
			158.52	158.04	160.15	165.40	162.39	171.96	178.21	179.16
(Maple Leaf Sig. #4)			153.14	155.91	153.42	160.58	160.58	162.19	170.36	173.86
			158.31	157.94	158.60	162.67	162.61	169.01	176.26	177.92
Soymeal Delivered	369	364	364	364	371					
Corn Delivered	284	284								

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