

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

Monday, October 03, 2011

Forward contract prices opened mixed this morning. U.S. cash markets are expected to maintain the gains experienced last week, as packers currently have good operating margins and wholesale meat markets seem impervious to the abundant supply. Last week's slaughter is estimated at 2.250 million hogs, nearly 40,000 fewer than the previous week, but still 100,000 larger than year ago levels. Lean Hog futures are seeing a pull back after last week's strong close that took the October contract limit up. All futures months are starting this week lower, with losses expected to be limited to less than \$1 - \$2 /cwt. The charts would suggest greater upside potential in the short term. The Canadian Dollar continues its volatile trade based on continued uncertainty from Europe. The Loonie is trading under US\$0.95 this morning, the lowest level in a year.

Canadian delivered soymeal prices opened lower this morning. Soybean harvest is underway, adding to the supply chain. Weather is forecast for optimal harvesting conditions. USDA is scheduled to distribute its weekly export inspections report and the crop progress report today.

Canadian delivered corn prices opened lower this morning. USDA indicated 1.128 billion bushels of corn are in inventory, as of Sept 1, which is 23% higher than the forecast. The information on the surge in supply sent prices lower.

US Slaughter	
2.25 Mill	—Last Week's
2.15 Mill	—Last Week's (year ago)
Western Corn Belt	\$89.26
Daily National Price	\$91.19
Daily Sig3(M.Leaf)	\$169.98
Daily Sig4(M.Leaf)	\$168.17
4-Month Fwd Avg	\$161.30
#1 Export Sows (+500lbs)	\$53.50cwt
B of C Ex. Rate (Noon)	
\$1.0389 CAD / \$0.9625 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
74.03/163.21	Hylife
ISO Weans \$16-41US	
Feeder Pigs \$27-42US	

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Fixed Forward Range (Maple Leaf Sig. #3)			156.36	157.41	154.83	165.07	166.03	168.43	179.41	178.45
			160.29	162.21	164.91	170.19	167.47	177.55	183.73	184.69
(Maple Leaf Sig. #4)			156.61	159.77	157.46	164.96	164.96	167.00	175.69	179.22
			160.51	161.44	162.67	166.76	167.00	173.88	181.64	183.31
Soymeal Delivered	353	348	348	348	354					
Corn Delivered	284	284								

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