

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

Wednesday, October 05, 2011

**Forward contract prices opened mixed this morning.** U.S. cash markets are called steady to higher again this morning with packer demand seemingly insatiable for live hog supplies. The standard relationship of higher supplies resulting in lower prices, has not held in the last month as packers are feeling a strong pull for the meat in both export and domestic markets. Lean Hog futures have factored in short term continuation of this trend, but are unwilling to project this same supply/price relationship forward to mid-December. All of the 2012 futures are running within \$1.00/cwt of contract highs, with gains beyond the highs more difficult to make from the perspective of technical analysis. However, the biggest factor that has driven the run higher in our forward prices has been the weak Canadian Dollar, currently sharply higher from yesterday's trade, but still around US\$0.95. Driving the Loonie higher this morning was the idea that Europe's banks will receive an infusion of capital that will positively impact their viability.

<b>US Slaughter</b>	
421,000	–Tuesday's
420,000	–Tuesday's (year ago)
Western Corn Belt	\$91.85
Daily National Price	\$91.73
Daily Sig3(M.Leaf)	\$178.53
Daily Sig4(M.Leaf)	\$172.66
4-Month Fwd Avg	\$161.78
#1 Export Sows (+500lbs)	\$53.50cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0604 CAD / \$0.9430 US	
<b>Cash Prices: Week Ending September 30th, 2011</b>	
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 \$27-40US	

**Canadian delivered soymeal prices opened higher this morning.** Soybean prices are starting the day higher due to overnight trading. Harvest is in full swing and producers are reaping the rewards of the fantastic weather. Next week's USDA production update is expected to show better yield estimates.

**Canadian delivered corn prices opened higher this morning.** Corn harvest was 21% complete as of Sunday. Producers are indicating that yields may be better than originally anticipated. Next weeks USDA report will also shed light on these perceptions.

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
Fixed Forward Range (Maple Leaf Sig. #3)			156.93 160.88	157.99 162.81	155.05 165.20	166.02 170.52	166.98 168.43	169.67 178.87	180.48 184.84	179.51 185.81
(Maple Leaf Sig. #4)			157.19 161.11	159.99 162.05	157.73 162.97	165.92 167.10	165.92 167.98	168.24 175.18	176.74 182.75	180.31 184.43
Soymeal Delivered	378	350	350	350	357					
Corn Delivered	284	284								

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**Rothsay Animal Vegetable Feed Fat**

**\$935 tonne ↓ (2 – 19 mt)**

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