

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

Wednesday, October 12, 2011

**Forward contract prices opened mixed this morning.** U.S. cash markets continued their lower trend this week as packer demand has been tempered by the lower wholesale pork prices due to the larger than expected supply. Packers are still benefitting from healthy margins, with the abundant supply allowing them firm control of their operating margins. Nearby Lean Hog futures have followed the cash market lower this week, with traders cautious of being on the wrong side of the counter seasonal rally seen in the last month. Today, the deferred month contracts will see significant volume and movement in response to the release of this morning's USDA WASDE report. Traders were not surprised by the increase in estimates for 2011/12 Ending Stocks, with Corn futures gaining about six cents per bushel from yesterday's trade. The Canadian Dollar is up sharply this morning on news that Europe will unveil a credible plan to address the ongoing credit crisis.

**Canadian delivered soymeal prices opened higher this morning.** Soybean yield harvested per acre is estimated in the WASDE report at 43.5 bushels for 2010/11 and 41.5 for 2011/12. Harvest is 51% complete and the crop rating is 56% good/excellent up from last week.

**Canadian delivered corn prices opened higher this morning.** WASDE report shows the projection for corn harvested per acre to be 152.8 bushels for 2010/11 and 148.1 bushels for 2011/12. 33% of corn has been harvested and 53% good/excellent rating, up from last week.

US Slaughter	
431,000	–Tuesday's
418,000	–Tuesday's (year ago)
Western Corn Belt	\$90.79
Daily National Price	\$93.57
Daily Sig3(M.Leaf)	\$171.19
Daily Sig4(M.Leaf)	\$170.86
4-Month Fwd Avg	\$156.38
#1 Export Sows (+500lbs)	\$54.50cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0287 CAD / \$0.9721 US	
<b>Cash Prices: Week Ending October 7th, 2011</b>	
79.85/176.03	Signature #3
77.42/170.67	Signature #4
77.42/170.67	h@ms Cash
76.25/168.10	Hylife
ISO Weans \$16-43US	
Feeder Pigs \$32-43.50US	

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June	July
Fixed Forward Range (Maple Leaf Sig. #3)		150.50	151.53	150.11	161.32	163.18	164.78	176.37	175.44	177.72
		152.46	156.19	159.91	165.05	163.65	173.66	180.58	181.51	177.72
(Maple Leaf Sig. #4)		150.80	153.51	152.69	161.00	161.18	163.37	172.70	176.13	174.63
		153.51	155.50	157.75	161.73	163.17	170.07	178.49	180.12	175.36
Soymeal Delivered	353	354	355	366						
Corn Delivered	256	256	258							

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