

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

Monday, October 17, 2011

Forward contract prices opened mixed this morning. U.S. cash markets are expected to open the week higher as packer profitability remains high, especially when you factor in by-product values. Last week's slaughter came in at 2.32 million hogs, down slightly from the previous week, but an increase of 2.4% over the same week one year ago. Hog prices have export demand to thank for price support seen in the last 2 months, with export sales data confirming this. In August, pork exports increased by 43% over 2010 numbers with exports to China experiencing more than a 300% increase in volume. In addition to this, Japan posted one of its biggest gains in recent years up about 35% compared to year ago. Lean Hog futures are marginally higher this morning, but traders remain cautious about factoring in a continuation of the strong exports. The Canadian dollar is trading slightly lower this morning at US\$0.9850, but is still up about 4 cents from the lows put in earlier 3 weeks ago.

Canadian delivered soymeal prices opened mixed this morning. Soybean prices experienced a spike when USDA startled traders with a cut to the yearend soybean supplies in their monthly report. Yearend supplies were lowered by 3% to 160 million bushels. The weekly crop progress report comes out today at 4 pm, and it is expected to show harvest well underway.

Canadian delivered corn prices opened higher this morning. Harvest has farmers refilling their grain bins, the weather has been warm and dry, perfect harvest conditions. Last week the corn harvest was 33% complete. Updates on progress will come out in today's weekly crop progress report.

US Slaughter	
2.32 Mill	—Last Week's
2.26 Mill	—Last Week's (year ago)
Western Corn Belt	\$90.42
Daily National Price	\$93.44
Daily Sig3(M.Leaf)	\$168.18
Daily Sig4(M.Leaf)	\$168.29
4-Month Fwd Avg	\$160.56
#1 Export Sows (+500lbs)	\$54.50cwt
B of C Ex. Rate (Noon)	
\$1.0147 CAD / \$0.9855 US	
Cash Prices: Week Ending October 14th, 2011	
77.60/171.08	Signature #3
77.22/170.24	Signature #4
76.31/168.24	h@ms Cash
76.00/167.56	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)		155.61	156.63	154.74	163.21	165.07	166.64	176.78	175.85	177.49
		157.57	161.30	163.15	167.35	165.54	175.53	180.05	181.93	177.49
(Maple Leaf Sig. #4)		155.74	158.45	156.99	162.84	162.84	165.00	172.73	176.35	174.40
		155.74	160.44	160.88	164.86	164.83	171.88	177.08	178.71	175.13
Soymeal Delivered	368	374	380	388						
Corn Delivered	256	256	258							

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