

Monday, December 12, 2011

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

<i>US Slaughter</i>	
421,000 – Friday's	
421,000 – Friday's (year ago)	
Western Corn Belt	\$82.87
Daily National Price	\$86.29
Daily Sig3(M.Leaf)	\$154.83
Daily Sig4(M.Leaf)	\$156.12
4-Month Fwd Avg	\$155.17
#1 Export Sows (+500lbs) \$47.50cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0105CAD / \$0.9896US	
<b>Cash Prices: Week Ending December 9th, 2011</b>	
70.43/155.27 Signature #3	
70.42/155.24 Signature #4	
69.40/153.00 h@ms Cash	
69.11/152.37 Hylife	
ISO Weans \$34-47.50US	
Feeder Pigs \$50-66.50US	

**Forward contract prices opened lower this morning.** U.S. cash markets are expected to open lower this morning, as we start to see some impact of producers pulling hog deliveries ahead of their normal schedule in advance of the Christmas holidays. Wholesale pork values are heading in the right direction to minimize the impact of the upcoming reduction in the slaughter schedule, with most of the strength of the cut-out coming from the higher valued cuts like loins and ribs. Lean Hog futures have come under significant pressure in the last week, with the February contract now only about \$2.50/cwt higher than the current cash market. This is approximately one third of the normal premium over the cash market that is typical for this time of year. Market reaction to the results of the EU summit in Brussels over the weekend was bearish, forcing the Canadian Dollar lower by about  $\frac{3}{4}$  of a cent.

**Canadian delivered soymeal prices opened lower this morning.** Soybean prices have eroded to the lowest price in a year, leading into a lower price for meal. Friday's WASDE Report reflecting declining export sales, resulting in the USDA making an upward adjustment to ending stocks estimates.

**Canadian delivered corn prices opened lower this morning.** Nearby corn futures are down again this morning and trading within 10 cents/bushel of the lowest level in 9 months. Slowing demand, largely from the export sector, has been the critical factor that has pushed prices over the last 2 months. The reduction in export demand resulted in an increase to the USDA's ending stocks estimate, currently pegged at 848 million bushels, close to 20 million bushels more than was anticipated by the trade.

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep
Fixed Forward Range (Maple Leaf Sig. #3)		148.27	152.71	153.65	156.34	169.10	167.69	170.30	155.59	151.84
		152.05	156.30	155.07	165.32	172.41	174.31	171.24	169.80	151.84
(Maple Leaf Sig. #4)		148.34	152.18	152.18	154.50	165.22	168.79	168.00	157.47	151.67
		149.52	153.73	154.19	161.46	169.52	171.17	168.91	166.33	152.57
Soymeal Delivered	318	321	329	331	339	345	350	350	355	362
Corn Delivered	259	261	265							

*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.*



**Rothsay Animal Vegetable Feed Fat**

**\$860 tonne ↓ (2 – 19 mt)**

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