

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

US Slaughter	
422,000 – Tuesday's	
427,000 – Tuesday's (year ago)	
Western Corn Belt	\$81.93
Daily National Price	\$86.08
Daily Sig3(M.Leaf)	\$154.44
Daily Sig4(M.Leaf)	\$157.14
4-Month Fwd Avg	\$157.50
#1 Export Sows (+500lbs) \$47.00cwt	
B of C Ex. Rate (Noon)	
\$1.0284CAD / \$.9724US	
Cash Prices: Week Ending December 9th, 2011	
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

Wednesday, December 14, 2011

Forward contract prices opened lower this morning. U.S. cash markets are losing ground with abundant hog numbers outpacing the demand from packers to kill them. Market participants are apprehensive about the cash market trend over the next 2 months, with the primary concern being export sales. Without China consuming comparable amounts of pork in the next few months, current cash market prices are unsustainable even with a reduction in hog supply. February Lean Hog futures have factored a firm cash market trend, given that there are confirmed orders from China until then. Summer month futures are down about 5% from their highs just a few weeks ago, under pressure from bearish technical indicators and growing concern over the possibility of a global recession that would impact pork demand. The Canadian Dollar has been relatively stable over the last 2 weeks, but is at the low end of its recent trading range.

Canadian delivered soymeal prices opened lower this morning. Support to the soybean complex from dry conditions in South America is being offset by the high U.S. Dollar which slows demand for U.S. soybeans. Soybean demand, both domestic and export is coming off as weak. Long term soybean crush rates are in a slight decline, however a short term view shows small growth of 0.1 million from last month.

Canadian delivered corn prices opened lower this morning. South Korea purchased 200,000 metric tonnes of U.S. corn last night. Traders are anticipating an increase in corn ending stocks as weak exports continue to prevail. Next month's grain stocks and crop report should set the trading tone, until then it appears with no new news to go on, outside market forces will sway trading decisions.

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)			155.15 158.39	156.10 157.53	158.87 167.97	171.70 175.05	170.27 176.97	172.69 173.64	157.26 172.17	153.45 153.45	152.74 155.14
(Maple Leaf Sig. #4)			154.59 155.79	154.59 156.62	157.00 164.05	167.76 172.11	171.37 173.78	170.35 171.27	159.18 168.66	153.29 154.21	152.45 154.12
Soymeal Delivered	333	336	338	340	349	355	359	359	361	368	
Corn Delivered	259	261	265								

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