

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

<b>US Slaughter</b>	
2.33 Mill	— Last Week's
2.34 Mill	— Last Week's (year ago)
Western Corn Belt	\$80.00
Daily National Price	\$79.92
Daily Sig3(M.Leaf)	\$152.18
Daily Sig4(M.Leaf)	\$157.52
4-Month Fwd Avg	\$154.58
#1 Export Sows (+500lbs)	\$47.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0388CAD / \$0.9626US	
<b>Cash Prices: Week Ending December 16th, 2011</b>	
70.21/154.78	Signature #3
71.26/157.11	Signature #4
68.95/152.00	h@ms Cash
69.70/153.66	Hylife
ISO Weans	\$34-47.50US
Feeder Pigs	\$50-66.50US

Monday, December 19, 2011

**Forward contract prices opened higher this morning.** U.S. cash markets are trading lower to start the week and are unlikely to find any significant support until early January. Typically at this time of year, hog supply exceeds the willingness to slaughter them due to the statutory holidays in the next two weeks. Last week's slaughter was estimated at 2.33 million, among the largest slaughter weeks of the year. Lean Hog futures dropped sharply on Friday, with most 2012 contracts dropping more than \$2.00/cwt. Traders are growing more concerned about the ability for the US to maintain pork exports at 23% of production while the global economy slows. Critical to this issue is whether China will maintain the trend of buying more than double the amount of pork it had in the year previous for the next several months. The Canadian Dollar is up about 33 basis points, with good trade data proving the support.

**Canadian delivered soymeal prices opened higher this morning.** Dry weather in Brazil and Argentina is providing support to U.S. soybean prices. Projections for U.S. soybeans in 2012 are 74.6 million acres. This would be 0.4 million acres lower than this year's 75 million and 2.8 million acres below last year.

**Canadian delivered corn prices opened higher this morning.** China's corn production is very high this year at 191.75 million tonnes, up 8.2% from last year. USDA reported export sales of U.S. corn to Japan of 205,232 tonnes. Corn acres for 2012 are forecasted to be 94.389 million acres, by a private forecaster. This would be up from 91.9 million this year. Last week 30,000 tonnes of corn was sold to an Israeli group.

	Dec	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)			150.69 153.26	151.64 153.07	154.19 163.23	166.62 169.95	165.19 171.85	169.02 169.97	155.54 169.05	151.72 151.72	149.45 151.84
(Maple Leaf Sig. #4)			150.62 151.35	150.80 153.19	153.00 160.00	163.38 167.71	166.97 169.37	167.37 168.30	158.12 166.20	152.57 153.12	149.80 151.83
Soymeal Delivered	343	346	348	350	358	364	368	368	377	384	
Corn Delivered	259	261	265								

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