

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

Tuesday, September 04, 2012

Forward contract prices opened lower this morning. U.S. cash markets are called to open steady this morning, with this week's trend again relying heavily on the number of hogs that come to market. There is no consensus amongst analysts as to what explains the streak of 3 consecutive weeks of hog slaughter exceeding year ago levels by more than 6%. Producers have strong incentive to get animals to market with feed costs so high, but marketing early would normally be accompanied by significantly lighter carcass weights, which has yet to be seen. Lean Hog futures are now holding a slight premium over the current cash market, with traders betting that the cash market will find support at current levels and appreciate in value. The Canadian Dollar has been trading at the high end of its recent range, supported by ideas that Europe's central bank will unveil measures that will deal with its ongoing debt crisis.

Canadian delivered soymeal prices opened higher this morning. Tighter than expected soybean supplies are supporting prices. Higher prices have done little to slow soybean exports, putting more bullish pressure on the deferred months. Exports have slowed from Brazil and Argentina, but China's demand from North American sellers has not eased.

Canadian delivered corn prices opened higher this morning. Corn yields are anticipated to be revised to 120 bushels per acre for the U.S. Brazilian exports were 1 million tonnes higher than estimated, at 2.76 million tonnes. Brazilian corn exports are expected to stay strong as U.S. prices are relatively high.

US Slaughter	
2.28 Mill – Last Week's	
2.14 Mill – Last Week's (year ago)	
Western Corn Belt	\$71.19
Daily National Price	\$81.20
Daily Sig3(M.Leaf)	\$128.70
Daily Sig4(M.Leaf)	\$142.15
Thunder Creek	\$130.24
4-Month Fwd Avg	\$127.27
#1 Export Sows (+500lbs)	\$31.00cwt
B of C Ex. Rate (Noon)	
\$0.9863CAD / \$1.0139US	
Cash Prices: Week Ending August 31st, 2012	
62.72/138.27	Signature #3
67.98/149.86	Signature #4
63.12/139.16	h@ms Cash
65.06/143.44	Hylife
67.45/148.70	Thunder Creek
ISO Weans \$2.75-15US	
Feeder Pigs \$13.50-18US	

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		123.61	117.54	119.35	123.35	135.14	142.49	147.45	167.17	172.17
(Maple Leaf Sig. #4)		128.60	122.53	123.43	132.42	139.68	144.31	161.10	175.81	176.72
Soymeal Delivered	639	617	618	618						
Corn Delivered	327	310								

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