

Hog Prices: ↓ Soymeal: ↓

Corn: ↓ Cdn Dollar: ↓

Wednesday, September 05, 2012

Forward contract prices opened lower this morning. U.S. cash markets started this holiday shortened week continuing last week's lower trend as the supply of market ready hogs is outpacing packer demand. Daily slaughter levels are expected to average about 435,000 for the remaining weekdays, the largest so far this year. Typical to this time of year, cash markets come under pressure as growth rates spike after cooler weather moved into the U.S. Midwest. Lean Hog futures continue to find support in spite of the weakness in the cash market. Traders are betting that the cash markets will improve from current levels, as packers ramp up production to capitalize on the significant improvement in their operating margins. The Canadian Dollar is still trading near the high end of its recent trading range but could see some weakness in response to the results of Quebec's provincial election which returned the separatist Parti Quebecois to government.

Canadian delivered soymeal prices opened lower this morning. U.S. soybeans are unchanged with 30% of the crop in the good to excellent rating. Poor to very poor conditions appear to have improved by 1% to 37%, it has been suggested that the recent rains and cooler weather in the west has had some benefit to the crop. However, there are conflicting reports with some private estimates showing a surprising drop in pod counts compared to earlier expectations.

Canadian delivered corn prices opened lower this morning. Corn harvest is up 4% from last week at 10%, whereas the ten year average is normally close to 3% complete. The good to excellent condition of U.S. corn crops are the same as last week at 22%. The poor to very poor rating also remained stable at 52%.

US Slaughter	
435,000	Monday's
426,000	Monday's (year ago)
Western Corn Belt	\$70.50
Daily National Price	\$79.69
Daily Sig3(M.Leaf)	\$127.46
Daily Sig4(M.Leaf)	\$139.52
Thunder Creek	\$127.62
4-Month Fwd Avg	\$129.37
#1 Export Sows (+500lbs)	\$29.00cwt
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)		126.50	120.03	121.85	124.37	136.23	142.83	147.53	167.03	172.06
(Maple Leaf Sig. #4)		131.50	125.04	125.95	133.49	140.79	144.66	161.23	175.71	176.62
Soymeal Delivered	621	603	604	604						
Corn Delivered	327	310								

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