

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

Wednesday, September 12, 2012

Forward contract prices opened higher this morning. U.S. packers are expected to firm up their cash bids as the supply of hogs available for market is more manageable compared to recent weeks. Over the last month, weekly slaughter has been close to 6% larger than the same period last year. Adding to the support in the cash market is strength seen in the pork cut-out which gained close to \$1.00/cwt., trading near US\$80/cwt. Yesterday, it was announced that Big Sky Farms of Humboldt, Saskatchewan entered into receivership, and is now for sale. High feed costs caused by the drought in the U.S. and low pork prices have resulted in recent losses for Big Sky's operations of \$40-\$50 per head. Lean Hog futures are finding some modest support this morning, with the summer months of 2013 trading at a \$30/cwt. premium over the current cash market.

Canadian delivered soymeal prices opened higher this morning. According to the WASDE report, the U.S. soybean crop is forecasted to yield 35.3 bushels per harvested acre, this is down 0.8 bushels from last month's estimates. Ending stocks are projected to remain the same at 115 million bushels. World 2012/13 ending stocks are forecast to be lower by 0.28 million metric tons to 53.10 million metric tons. World production was lowered 2.33 million metric tons.

Canadian delivered corn prices opened lower this morning. U.S. corn yield was reported to have decreased 0.6 bushels per harvested acre from the last USDA projection, now currently at 122.8 bushels. However, analysts adjusted projected U.S. 2012/13 ending stocks to be higher by 83 million bushels, at 733 million bushels. World ending stocks were increased by 0.62 million metric tons to 123.95 million metric tons.

US Slaughter	
437,000 – Tuesday's	
427,000 – Tuesday's (year ago)	
Western Corn Belt	\$64.01
Daily National Price	\$73.42
Daily Sig3(M.Leaf)	\$114.09
Daily Sig4(M.Leaf)	\$126.73
Thunder Creek	\$113.84
4-Month Fwd Avg	\$123.79
#1 Export Sows (+500lbs) \$29.00cwt	
B of C Ex. Rate (Noon) \$0.9724CAD / \$1.0284US	
Cash Prices: Week Ending September 7th, 2012	
56.79/125.19	Signature #3
63.01/138.92	Signature #4
57.43/126.62	h@ms Cash
59.52/131.22	Hylife
61.28/135.10	Thunder Creek
ISO Weans	\$3.50-20US
Feeder Pigs	\$13-22US

	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		120.32	115.36	117.15	117.47	129.14	135.42	140.28	160.56	165.51
		125.25	120.29	121.18	126.45	133.63	137.22	153.78	169.11	170.01
(Maple Leaf Sig. #4)		123.72	119.87	119.87	121.06	130.01	135.14	140.72	157.22	164.20
		128.66	124.90	125.59	126.71	133.83	138.61	151.35	165.50	167.25
Soymeal Delivered	604	587	587	587						
Corn Delivered	321	309								

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