

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

Thursday, September 13, 2012

**Forward contract prices opened lower this morning.** Cash prices continued lower yesterday, with pressure coming on cut-out values as well. Hog supplies remain above expectations, but look to be closer to USDA forecasted numbers for this week. Lower prices have spurred buying in both domestic and export markets recently, but exports are likely not keeping pace with year ago levels when China was a very active buyer. The most recent export data represents sales in July and showed that volume was down about 3% from year ago levels, the smallest monthly volume in close to 2 years. Japan and South Korea's imports were down sharply from year ago levels, as both of those countries experienced a spike in activity in the spring of last year responding to the Tsunami and an outbreak of Foot and Mouth disease respectively. The recent drop in prices could help take Mexico's imports to record high levels as Mexican buyers have been known to respond with increased purchases when prices weaken.

**Canadian delivered soymeal prices opened lower this morning.** Estimated soybean export sales for the 2012/13 crop year were lowered by 1.5 million tonnes, based on reduced production. Only 4% of the U.S. soybeans are harvested at this time. Export sales are continuing at a pace where prices will need to increase in order to ration the limited supply.

**Canadian delivered corn prices opened higher this morning.** World corn production was left near unchanged in yesterday's WASDE report. However, some areas such as the Ukraine, China, Brazil and Argentina will likely require a reduction in yield estimates due to hot and dry conditions in the major growing areas.

US Slaughter	
434,000	— Wednesday's
428,000	— Wednesday's (year ago)
Western Corn Belt	\$63.34
Daily National Price	\$72.72
Daily Sig3(M.Leaf)	\$113.28
Daily Sig4(M.Leaf)	\$125.94
Thunder Creek	\$113.01
4-Month Fwd Avg	\$125.88
#1 Export Sows (+500lbs)	\$29.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$0.9757CAD / \$1.0249US	
<b>Cash Prices: Week Ending September 7th, 2012</b>	
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)		121.69	116.90	118.69	118.12	129.80	134.80	139.77	159.52	164.48
(Maple Leaf Sig. #4)		126.63	121.83	122.73	127.11	134.30	136.60	153.30	168.09	168.99
Soymeal Delivered	609	592	595	595						
Corn Delivered	321	309								

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