

Monday, October 22, 2012

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

Forward contract prices opened higher this morning. Cash markets are starting the week near where they ended last week, a positive factor considering the abundant supplies of hogs and pork in cold storage. Last week, packers killed just shy of 2.4 million hogs, about 3.3% more than the same week one year ago. Firm cash bids are coming from the profitable packer margins that are providing a strong incentive to maintain a high production volumes. Relatively high beef and chicken prices are contributing to the counter seasonal rally in wholesale pork prices. However, futures traders are less optimistic about the support over the next two months, as evidenced by the \$3.00/cwt discount that the December contract holds to the current cash market. 2013 Forward contract prices suggest that the cash market will gain approximately \$5.00/ckg over the first half of the year, a trend that is in line with the normal seasonal rally over this time frame.

US Slaughter	
2.39 mil – Last Week's	
2.31 mil – Last Week's (year ago)	
Western Corn Belt	\$82.23
Daily National Price	\$85.30
Daily Sig3(M.Leaf)	\$149.70
Daily Sig4(M.Leaf)	\$150.38
Thunder Creek	\$149.69
4-Month Fwd Avg	\$143.93
#1 Export Sows (+500lbs)	\$32.00cwt
B of C Ex. Rate (Noon) \$0.9932CAD / \$1.0068US	
Cash Prices: Week Ending October 19th, 2012	
66.85/147.37 Signature #3	
66.75/147.15 Signature #4	
65.91/145.31 h@ms Cash	
68.84/142.95 Hylife	
65.54/144.50 Thunder Creek	
ISO Weans	\$34.86 US Avg
Feeder Pigs	\$30.40US Avg

2012 Annual Fall Marketing Meetings			
Manitoba	Date	Time	Location
Brandon	31-Oct	Noon	Royal Oak Inn & Suites, 3130 Victoria Avenue
Starbuck	01-Nov	1:00 PM	Starbuck Community Hall, 25 Main Street
Steinbach	02-Nov	Noon	The Village Green Restaurant, 350 Park Road East
Saskatchewan	Date	Time	Location
Swift Current	08-Nov	Noon	Wong's Kitchen, 320 S Service Road East
Saskatoon	09-Nov	Noon	Sandman Hotel, 310 Circle Drive West

Canadian delivered soymeal prices opened higher this morning. The soybean complex is expected to trade firmer this week, brushing aside some recent bearish economic news that influenced all grain markets lower on Friday. Export sales are still running at a pace that is currently unsustainable due to the tight ending stocks projections.

Canadian delivered corn prices opened higher this morning. There are reports that US corn producers are maintaining ownership of this year's corn in anticipation of rising prices. As prices rise, US corn typically earmarked for export is remaining in the domestic market. While this should provide some relief for feed buyers, the rising prices provide rationale for retaining corn and in turn further rise prices.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Fixed Forward Range (Maple Leaf Sig. #3)			134.05	135.11	146.99	148.82	153.69	170.54	176.95	177.75
(Maple Leaf Sig. #4)			138.15	144.25	151.56	150.65	167.43	179.24	180.16	180.96
			135.28	137.83	146.94	148.27	153.89	166.57	173.66	174.88
			140.41	143.58	150.84	151.81	164.71	174.99	176.77	177.55
Soymeal Delivered	539	539	539	543	543	543				
Corn Delivered	312	312	314							

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