

WESTERN CORNBELT LEAN HOG BASIS, 2006-2009
FOR THE 51-52% LEAN CARCASS CONTRACT
(\$/CWT)

Market Period	Contract For Basis	3-yr Avg Futures	2006 Basis	2007 Basis	2008 Basis	2009 Basis	3-yr Avg Basis	Standard Deviation
Jan- 1st half	February	59.51	-7.07	-4.62	-8.11	-6.69	-6.47	2.85
Jan- 2nd half	February	59.10	-4.33	-2.25	-5.07	0.67	-2.30	2.65
Feb- 1st half	February	60.62	-1.22	-1.07	-1.99	0.60	-0.82	1.61
Feb- 2nd half	April	63.04	-1.06	-3.04	-4.10	-2.90	-3.30	2.07
Mar- 1st half	April	61.87	-1.02	-5.36	-4.83	-1.94	-4.04	2.30
Mar- 2nd half	April	60.91	-3.74	-5.45	-5.12	-5.47	-5.40	1.28
Apr-1st half	April	60.57	-3.16	-3.27	-1.93	-2.66	-2.60	1.43
Apr- 2nd half	June	72.04	-2.79	-7.05	-5.26	-8.09	-6.54	3.37
May-1st half	June	70.94	-2.00	-2.48	0.26	-2.18	-1.41	2.44
May- 2nd half	June	72.39	-0.68	-0.61	0.35	-6.85	-2.21	3.78
Jun- 1st half	June	68.72	-1.51	-2.43	-3.12	-1.54	-2.37	1.14
Jun- 2nd half	July	68.72	2.79	1.69	-1.24	-1.69	-0.61	2.07
Jul- 1st half	July	67.41	-2.78	-1.37	-1.29	-2.19	-1.63	1.16
Jul- 2nd half	August	70.37	-1.26	-2.98	0.82	-3.44	-1.84	2.75
Aug- 1st half	August	70.17	0.10	-1.47	-0.89	-2.30	-1.56	1.26
Aug- 2nd half	October	62.98	5.95	-2.72	6.47	-0.17	1.16	4.85
Sep- 1st half	October	61.38	1.14	-3.39	2.32	-0.94	-0.68	2.66
Sep- 2nd half	October	60.44	-0.08	-0.47	1.32	-0.58	0.14	1.54
Oct- 1st half	October	58.26	-0.20	-1.39	-0.04	-1.23	-0.90	1.64
Oct- 2nd half	December	55.86	0.10	-0.37	1.36	-2.89	-0.58	2.39
Nov- 1st half	December	57.09	-2.28	-4.25	-3.12		-3.22	2.14
Nov- 2nd half	December	57.88	-2.04	-5.51	-5.07		-4.10	2.30
Dec- 1st half	December	58.13	-2.43	-1.67	-2.96		-2.35	1.72
Dec- 2nd half	February	60.90	-4.17	-8.47	-10.31		-7.92	3.08

1/ Basis is calculated as Cash-Futures. A negative sign means that futures are greater than cash.

2/ Cash price is a weighted average base price.

3/ Market periods were divided as follows: 1st half consists of the 1st 10 trading days of the month, 2nd half includes all remaining days in the month.

4/ 68% of the time the basis is expected to fall within plus or minus one standard deviation of the average basis.

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