

WESTERN CORNBELT LEAN HOG BASIS, 2006-2010
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	2010 Basis	3-yr Avg Basis	Standard Deviation
Jan- 1st half	February	62.11	-7.07	-4.62	-8.11	-6.69	-1.75	-5.52	3.76
Jan- 2nd half	February	60.44	-4.33	-2.25	-5.07	0.67	-2.74	-2.38	2.81
Feb- 1st half	February	60.93	-1.22	-1.07	-1.99	0.60	-2.34	-1.24	1.75
Feb- 2nd half	April	64.01	-1.06	-3.04	-4.10	-2.90	-3.80	-3.60	1.96
Mar- 1st half	April	63.95	-1.02	-5.36	-4.83	-1.94	-0.98	-2.58	2.30
Mar- 2nd half	April	63.98	-3.74	-5.45	-5.12	-5.47	-4.06	-4.89	1.45
Apr-1st half	April	64.40	-3.16	-3.27	-1.93	-2.66	-2.22	-2.27	1.26
Apr- 2nd half	June	76.16	-2.79	-7.05	-5.26	-8.09	-5.17	-6.17	3.22
May-1st half	June	70.94	-2.00	-2.48	0.26	-2.18	-3.61	-1.84	2.70
May- 2nd half	June	72.39	-0.68	-0.61	0.35	-6.85	-1.44	-2.65	4.06
Jun- 1st half	June	68.72	-1.51	-2.43	-3.12	-1.54	-3.09	-2.59	1.21
Jun- 2nd half	July	68.72	2.79	1.69	-1.24	-1.69	-2.88	-1.94	1.42
Jul- 1st half	July	67.41	-2.78	-1.37	-1.29	-2.19	-3.01	-2.17	1.01
Jul- 2nd half	August	70.37	-1.26	-2.98	0.82	-3.44	-3.94	-2.19	2.94
Aug- 1st half	August	70.17	0.10	-1.47	-0.89	-2.30	-2.99	-2.06	1.43
Aug- 2nd half	October	62.98	5.95	-2.72	6.47	-0.17	4.15	3.48	3.76
Sep- 1st half	October	61.38	1.14	-3.39	2.32	-0.94	2.72	1.37	2.19
Sep- 2nd half	October	60.44	-0.08	-0.47	1.32	-0.58		0.09	1.54
Oct- 1st half	October	58.26	-0.20	-1.39	-0.04	-1.23		-0.89	1.64
Oct- 2nd half	December	55.86	0.10	-0.37	1.36	-2.89		-0.63	2.39
Nov- 1st half	December	54.50	-2.28	-4.25	-3.12	-2.54		-3.31	2.08
Nov- 2nd half	December	56.36	-2.04	-5.51	-5.07	-3.75		-4.78	1.61
Dec- 1st half	December	58.13	-2.43	-1.67	-2.96	-1.12		-1.91	1.15
Dec- 2nd half	February	62.09	-4.17	-8.47	-10.31	-3.56		-7.45	3.20

- 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.

Prepared by Shane Ellis, Extension Livestock Economist

IOWA STATE UNIVERSITY
 University Extension

M1290/Sept 2010