Ag Decision Maker

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Lean Hog Basis

Table 1. Western Cornbelt lean hog basis, 2007-2011 for the 51 to 52 percent lean carcass contract ($/cwt/carcass)

			(Dollars/cwt.)						
Market Period	Contract For Basis	3-yr Avg Futures	2007 Basis	2008 Basis	2009 Basis	2010 Basis	2011 Basis	3-yr Avg Basis	Standard Deviation
Jan 1-15	February	70.01	-4.62	-8.11	-6.69	-1.75	-8.03	-5.49	3.71
Jan 16-31	February	69.45	-2.25	-5.07	0.67	-2.74	-6.33	-2.80	3.16
Feb 1-15	February	69.71	-1.07	-1.99	0.60	-2.34	-2.88	-1.54	1.97
Feb 16-28	April	73.64	-3.04	-4.10	-2.90	-3.80	-10.97	-5.89	4.30
Mar 1-15	April	74.26	-5.36	-4.83	-1.94	-0.98	-6.54	-3.15	3.01
Mar 16-31	April	74.81	-5.45	-5.12	-5.47	-4.06	-7.54	-5.69	2.00
Apr 1-15	April	76.22	-3.27	-1.93	-2.66	-2.22	-4.86	-3.24	1.69
Apr 16-30	June	84.43	-7.05	-5.26	-8.09	-5.17	-8.97	-7.41	3.24
May 1-15	June	80.34	-2.48	0.26	-2.18	-3.61	-3.15	-2.98	2.23
May 16-31	June	79.55	-0.61	0.35	-6.85	-1.44	0.80	-2.50	4.02
Jun 1-15	June	79.30	-2.43	-3.12	-1.54	-3.09	-1.49	-2.04	1.51
Jun 16-30	July	78.92	1.69	-1.24	-1.69	-2.88	2.62	-0.65	3.17
Jul 1-15	July	78.50	-1.37	-1.29	-2.19	-3.01	-2.84	-2.68	1.31
Jul 16-31	August	78.11	-2.98	0.82	-3.44	-3.94	-2.76	-3.38	2.37
Aug 1-15	August	77.66	-1.47	-0.89	-2.30	-2.99	0.12	-1.73	3.30
Aug 16-31	October	77.26	-2.72	6.47	-0.17	4.15	7.41	3.79	4.18
Sep 1-15	October	76.62	-3.39	2.32	-0.94	2.72	-2.07	-0.10	2.43
Sep 16-30	October	76.32	-0.47	1.32	-0.58	2.00	0.04	0.49	1.60
Oct 1-15	October	76.11	-1.39	-0.04	-1.23	-2.66	-1.70	-1.86	1.79
Oct 16-31	December	75.81	-0.37	1.36	-2.89	-6.49	0.77	-2.87	3.20
Nov 1-15	December	76.48	-4.25	-3.12	-2.54	-7.11	-2.04	-3.90	2.83
Nov 16-30	December	76.48	-5.51	-5.07	-3.75	-7.07	-5.73	-5.52	2.36
Dec 1-15	December	76.48	-1.67	-2.96	-1.12	-4.65	-2.27	-2.68	2.71
Dec 16-31	February	76.50	-8.47	-10.31	-3.56	-9.13	-5.72	-6.13	2.78

Note:
- Basis is calculated as Cash - Futures. A negative sign means that futures are greater than cash.
- Cash price is a weighted average base price.
- Market periods were divided as follows: 1st half includes the first 10 trading days of the month, 2nd half includes all remaining days in the month.
- 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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