

Wednesday, May 18, 2011

Hog Prices: ↓ Soymeal: ↑

Corn: ↑ Cdn Dollar: ↓

| US Slaughter | |
|--|---------------------------|
| 410,000 | – Tuesday's |
| 404,000 | – Tuesday's (year ago) |
| US Iowa/Sthrn MN | \$92.47 |
| Western Corn Belt | \$92.21 |
| Daily National Price | \$92.58 |
| Daily Sig3(M.Leaf) | \$165.18 |
| Daily Sig4(M.Leaf) | \$160.60 |
| 4-Month Fwd Avg | \$152.00 |
| #1 Export Sows (+500lbs) | \$43.75cwt |
| B of C Ex. Rate (Noon) | |
| \$0.9773CAD / \$1.0232US | |
| Cash Prices: Week Ending May 13th, 2011 | |
| 71.44/157.50 | Signature #3 |
| 70.65/155.76 | Signature #4 |
| 70.45/155.32 | MPMC Cash |
| 69.89/154.08 | Hylife |

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited

Forward contract prices opened lower this morning. U.S. cash markets are called to open steady this morning after the shine came off the cash market yesterday when packers took back some of the previous two days of gains. The pork cut-out also saw weakness, with almost all of the primal cuts losing ground. Lean hog futures are trading lower to start the day, following the cash market trend. Hedge funds have been significant sellers of lean hog futures as they abandon their long positions due to a perception of limited upside potential based on technical analysis. Fundamentals are also not as strong as they were two months ago with some traders questioning how consumers will change their behavior in response to record high prices. The Canadian Dollar has provided some relief by trading nearly three cents lower than its recent highs put in earlier this month.

Canadian delivered soymeal prices opened higher this morning. Spillover support from corn and wheat is moving soybean prices higher, despite beliefs that a decrease in planted corn acres will result in more soybean acres. Ongoing fears of seeding delays and potentially lowered yields are expected to attract speculative buying. An increase in crude oil prices is also bullish for prices.

Canadian delivered corn prices opened higher this morning. Corn prices are on the rise this morning as poor weather continues to prevent farmers from planting. At this point, many analysts believe that it is unlikely producers will seed the 92.2 million acres predicted by the USDA. Forecasts for rain going into next week are expected to prevent more fieldwork from being done.

| | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb |
|---|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Fixed Forward Range (Maple Leaf Sig. #3) | | 156.47 157.37 | 155.25 156.14 | 151.49 158.20 | 147.91 148.80 | 142.49 148.33 | 135.08 140.55 | 136.06 140.10 | 136.88 143.19 | 143.64 145.44 |
| (Maple Leaf Sig. #4) | | 154.29 154.63 | 152.59 154.15 | 154.33 155.37 | 147.65 149.73 | 142.33 146.85 | 134.28 139.67 | 136.28 139.15 | 136.65 140.32 | 142.76 143.46 |
| Soymeal Delivered | 400 | 402 | 406 | 413 | 409 | 398 | 400 | 400 | | |
| Corn Delivered | 278 | 280 | 282 | | | | | | | |



Rothsay Animal Vegetable Feed Fat

\$973/tonne ↓ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

