

Friday, May 20, 2011

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

US Slaughter	
406,000	– Thursday's
397,000	– Thursday's (year ago)
US Iowa/Sthrn MN	\$96.70
Western Corn Belt	\$96.44
Daily National Price	\$93.52
Daily Sig3(M.Leaf)	\$171.49
Daily Sig4(M.Leaf)	\$161.03
4-Month Fwd Avg	\$154.57
#1 Export Sows (+500lbs)	\$43.75cwt
B of C Ex. Rate (Noon)	
\$0.9701CAD / \$1.0308US	
Cash Prices: Week Ending May 20th, 2011	
75.25/165.89	Signature #3
72.44/159.70	Signature #4
73.75/162.59	MPMC Cash
72.15/159.07	Hylife

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Forward contract prices opened lower this morning. U.S. packers seemingly threw caution to the wind yesterday after bidding up the cash market by over \$4.00/cwt in some regions. This latest move came in stark contrast with the pork cut-out, which was down close to \$1.00/cwt, effectively narrowing their gross margin to zero. This short term spike allowed packers to increase their kill to over two million hogs, an estimated 2% increase over last year. However, these gains are not sustainable in the short term, and packers will likely pull back on their bids for next week. Nearby lean hog futures do not anticipate a rally into the summer months, with current prices near the lowest levels seen so far this year. The Canadian Dollar is trading lower this morning after a report showed slower than expected inflation for the month of April.

Canadian delivered soymeal prices opened lower this morning. Profit taking in soybeans following strong gains over the past week has prices moving lower. As well, acres that are unable to be seeded now due to wet weather are likely to be planted with soybeans, a later seeded crop, thus weighing on prices. Slower export and domestic demand, along with a record South American crop are also bearish for soybeans.

Canadian delivered corn prices opened higher this morning. Excess moisture continues to disrupt planting throughout the Midwest, thereby driving corn prices higher. Rain is currently forecasted for the weekend to start in Western Illinois, and move eastward from there. This particular system is expected to last a week. Traders are currently estimating planting to be 80% complete in Monday's report.

	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		156.92	157.29	155.17	151.58	146.04	139.38	140.37	139.85	146.60
		157.82	158.19	160.82	152.48	151.88	144.87	144.42	146.15	148.40
(Maple Leaf Sig. #4)		154.73	154.57	156.87	151.22	145.77	138.46	140.46	139.52	145.62
		155.08	156.14	158.52	153.30	150.30	143.86	143.33	143.18	146.31
Soymeal Delivered		403	407	422	407	402	402	402		
Corn Delivered	282	284	286							



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