

Friday, June 03, 2011

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

US Slaughter	
417,000 – Thursday's	
409,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$91.16
Western Corn Belt	\$91.23
Daily National Price	\$90.62
Daily Sig3(M.Leaf)	\$163.76
Daily Sig4(M.Leaf)	\$157.52
4-Month Fwd Avg	\$149.81
#1 Export Sows (+500lbs) \$43.25cwt	
B of C Ex. Rate (Noon) \$0.9793CAD / \$1.0211US	
Cash Prices: Week Ending June 3rd, 2011	
71.70/158.08 Signature #3	
72.04/158.81 Signature #4	
70.99/156.51 MPMC Cash	
UNAVAILABLE	Hylife

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Forward contract prices opened higher this morning. U.S. cash markets are finishing the week only slightly lower than last week as packers fighting for market share have forced a small price recovery late this week. This development is somewhat surprising as most packers are dealing with unprofitable operating margins and normally use a holiday shortened week to recover some profits. Lean hog futures are representing a cautious approach to the mid-summer timeframe as there is no premium over the cash market built into the July and August contracts. The Canadian Dollar is down sharply this morning in response to a weak Employment Report that showed U.S. unemployment moved up by 0.1% to 9.1%. The report has traders questioning the sustainability of the ongoing economic recovery and the impact on Canada's export sector.

Canadian delivered soymeal prices opened higher this morning. Increasing concerns that farmers won't plant as many acres as expected has soybean prices moving higher. Producers need approximately 78 million acres to maintain supplies at current usage levels, assuming normal yields are achieved. Predictions of what actual plantings will be are between 72 and 75 million.

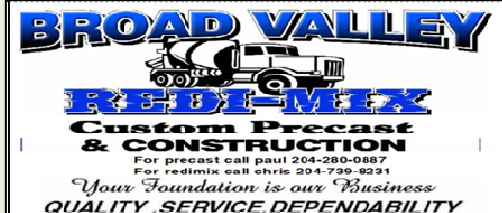
Canadian delivered corn prices opened lower this morning. After moving higher yesterday on support from soybeans, corn is moving lower this morning as forecasts continue to predict warm and dry weather for the next 6-7 days. Downside movement may be limited as ethanol production for the week ending May 27 averaged 909,000 barrels/day, which is up 0.78% from the previous week.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		151.49 153.74	149.60 155.00	147.40 148.30	141.80 147.66	136.52 142.02	137.51 141.57	138.14 145.40	146.31 148.12	144.82 147.09
(Maple Leaf Sig. #4)		150.79 151.66	153.06 155.20	148.40 149.71	142.56 147.10	136.39 141.46	138.40 141.11	138.60 142.64	144.93 147.00	146.12 147.18
Soymeal Delivered	414	418	431	432	417	419	419			
Corn Delivered	286	288	288							



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