

Tuesday, June 07, 2011

Hog Prices: ↑↓ **Soymeal:** ↑

Corn: ↑ **Cdn Dollar:** ↑

US Slaughter	
394,000 – Monday's	
400,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$86.44
Western Corn Belt	\$86.30
Daily National Price	\$91.37
Daily Sig3(M.Leaf)	\$154.79
Daily Sig4(M.Leaf)	\$158.69
4-Month Fwd Avg	\$147.88
#1 Export Sows (+500lbs) \$42.50cwt	
B of C Ex. Rate (Noon) \$0.9785CAD / \$1.0220US	
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	
71.04/156.62 Hylife	

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Forward contract prices opened mixed this morning. U.S. cash markets failed to stop the lower trend as packers persist in being pinched by tightening live hog supplies and a product market that continues to see counter seasonal weakness. The pork cut-out (aggregate value of all the pork primal cuts) dropped by more than \$2.00/cwt in yesterday's trade, taking the benchmark price to its lowest level since February. Lean hog futures are seeing little positive influence from both index and hedge funds that have, until recently, provided support to the nearby contracts. In fact, the large speculators currently have a net short position as they bet that prices will trend lower over the next few weeks. Canada's reliance on the U.S. as an export market is contributing to the Canadian Dollar's weakness as the U.S. economy is growing at a slower pace than was anticipated.

Canadian delivered soymeal prices opened higher this morning. With seeding progress at its lowest level since 1996, prices are seen to be moving higher. The USDA reported that soybean planting was 68% complete as of Sunday, which is up from 51% last week, but well below the average of 82% for this time of year. Of the crop planted, it is estimated that 44% has emerged.

Canadian delivered corn prices opened higher this morning. Export demand is working to move corn prices higher as private exporters struck a deal to sell 822,960 tons of corn to Mexico. Two-third's is for delivery in 2011/2012 and one-third is for delivery in 2012/2013. The fact that Mexico is booking for so far ahead has traders believing that Mexican officials believe corn prices will increase dramatically.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		149.71	147.42	146.31	140.98	136.44	137.42	138.36	145.15	144.39
		151.95	152.79	147.21	146.82	141.91	141.46	145.61	148.32	146.66
(Maple Leaf Sig. #4)		149.05	150.99	147.32	141.74	136.29	138.29	138.81	145.12	145.70
		149.92	154.08	148.62	146.26	141.34	140.99	142.84	146.58	146.76
Soymeal Delivered	407	411	426	426	411	414	414			
Corn Delivered	300	302	302							

CONGRATULATIONS

New Haven Colony Farms Ltd. North

Winner of the May 2011 Sow and Boar Lottery