

Wednesday, June 08, 2011

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

US Slaughter	
406,000	— Tuesday's
403,000	— Tuesday's (year ago)
US Iowa/Sthrn MN	\$87.25
Western Corn Belt	\$86.78
Daily National Price	\$90.47
Daily Sig3(M.Leaf)	\$155.01
Daily Sig4(M.Leaf)	\$156.49
4-Month Fwd Avg	\$150.75
#1 Export Sows (+500lbs)	\$42.50cwt
<b>B of C Ex. Rate (Noon)</b>	
\$0.9745CAD / \$1.0262US	
<b>Cash Prices: Week Ending June 3rd, 2011</b>	
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 higher this morning.** U.S. cash markets continue to see no obvious trend as packers have been forced to bid up the cash market despite a lack of support coming from the product market. Typical gross margins for this time of year run \$12-\$15 per hog, but packers have been unable to recover to those levels due to the tightening supply and downward trend at the retail level. Lean hog futures staged a recovery in yesterday's trade with summer contracts up close to \$2.00/cwt. The rally was likely triggered by traders following technical analysis, which have started to be more supportive. July and August contracts are now trading at a slight premium to the cash market, which is providing a pricing opportunity for producers looking to add to their summer and fall month contracts.

**Canadian delivered soymeal prices opened lower this morning.** A firmer U.S. Dollar and improved weather for planting in the Midwest has soybean prices moving lower after yesterday's gains. As well, traders are anticipating that the USDA will increase their ending stock predictions to 173 million bushels in tomorrow's Supply and Demand Report. Weaker crude oil futures are also contributing to the bearish movement.

**Canadian delivered corn prices opened higher this morning.** Corn futures are trading higher as market participants await Thursday's USDA Supply and Demand Report. Traders anticipate that federal forecasters will decrease their current projections for the upcoming crop inventories by 11% to 800 million bushels. Robust demand continues to support prices as well.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		153.77 156.02	150.31 155.70	148.92 149.82	143.65 149.51	139.00 144.50	139.99 144.05	139.62 146.81	146.36 149.51	146.09 148.34
(Maple Leaf Sig. #4)		153.00 153.87	153.73 156.65	149.87 151.17	144.34 148.89	138.79 143.86	140.80 143.51	139.99 143.99	146.26 148.17	147.30 148.35
Soymeal Delivered	413	413	415	418	407	410	410			
Corn Delivered	299	301	301							



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