

Wednesday, June 22, 2011

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

US Slaughter	
401,000 – Tuesday's	
388,000 – Tuesday's (year ago)	
US Iowa/Sthrn MN	\$100.69
Western Corn Belt	\$100.51
Daily National Price	\$95.33
Daily Sig3(M.Leaf)	\$179.15
Daily Sig4(M.Leaf)	\$164.54
4-Month Fwd Avg	\$156.50
#1 Export Sows (+500lbs) \$41.00cwt	
B of C Ex. Rate (Noon) \$0.9724CAD / \$1.0284US	
Cash Prices: Week Ending June 17th, 2011	
74.41/164.04 Signature #3	
71.58/157.81 Signature #4	
72.91/160.73 H@ms Cash	
71.34/157.27 Hylife	


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Forward contract prices opened lower this morning. U.S. cash markets shot up more than \$5.00/cwt in a number of regions, taking some benchmark prices to just over the \$100/cwt. Packers were bidding without much consideration for their operating margins as the pork cut-out is now running at a deficit to hog prices by about \$3.00/cwt or \$6.00/hog. Packers could be getting some strong demand signals from foreign buyers as there has been talk of increased interest from both South Korea and China. Futures are taking a more cautious view of near term hog prices, with the July and August contract forecasting a slight decline from today's cash market. The Canadian Dollar is down a little this morning, but right in the middle of its two month trading range at U.S.\$1.0230.

Canadian delivered soymeal prices opened lower this morning. A higher U.S. Dollar combined with spillover pressure from corn futures are moving soybean prices lower in the absence of fresh export news. Downside movement could be limited by an expected period of hot and dry weather throughout much of the Midwest. The USDA Crop Progress Report brought no surprises, with 94% of the crop planted as of Sunday, and 82% of the crop emerged, compared to the 5 year average of 86%.

Canadian delivered corn prices opened lower this morning. Corn futures are moving downward under pressure from the U.S. Dollar. Bearish movement may be capped as hot weather in the Western Corn Belt could negatively impact pollination. Talk of increased interest from end users such as South Korea could also add support to prices. Rumors of fresh demand from China have yet to be confirmed.

	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		169.98	159.44 166.98	155.87 156.76	150.74 156.57	143.65 149.12	144.64 148.67	144.48 151.65	151.20 154.34	150.22 152.46
(Maple Leaf Sig. #4)		165.30	162.61 163.86	155.52 157.60	150.84 155.01	142.76 147.97	144.67 147.88	143.90 147.98	149.81 151.54	148.33 151.46
Soymeal Delivered	393	393	399	404	395	400	400			
Corn Delivered	294	296	296							



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