

Tuesday, July 05, 2011

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

US Slaughter	
1.945 Mill. – Last Week's	
1.964 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$94.26
Western Corn Belt	\$93.90
Daily National Price	\$100.78
Daily Sig3(M.Leaf)	\$165.20
Daily Sig4(M.Leaf)	\$171.69
4-Month Fwd Avg	\$147.81
#1 Export Sows (+500lbs)	\$42.75cwt
<b>B of C Ex. Rate (Noon)</b>	\$0.9598CAD / \$1.0419US
<b>Cash Prices: Week Ending July 1st, 2011</b>	
80.42/177.30 Signature #3	
79.28/174.79 Signature #4	
79.34/174.92 H@ms Cash	
79.43/175.11 Hylife	


*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited*

**Forward contract prices opened higher this morning.** U.S. cash markets remain lower than the highs found last week, as supplies continue to be tight, but are not tightening. With packers having to fill a full schedule of hogs next week, cash prices could find some support by the middle to later part of this week. Excess heat in the Midwest over the long weekend is also considered bullish for prices, by slowing weight gain. Lean hog futures moved sharply lower last week, with the August contract falling to its lowest level since June 8. There is perceived to be less volatility in corn after Thursday's government reports, and some stability in U.S. equity markets, which could buoy futures in the coming weeks. The Canadian Dollar remains stronger than the beginning of last week, trading near U.S.\$1.0390.

**Canadian delivered soymeal prices opened higher this morning.** Ongoing concerns regarding tighter supplies and smaller acreage projections have soybean prices on the upward movement. Expectations for an increase in export demand in tomorrow's USDA Report are providing support. Warm temperatures and adequate moisture throughout the Northern Midwest could limit upside potential.

**Canadian delivered corn prices opened higher this morning.** Talk of increased demand from China has corn prices moving higher, following a 5.6% decline on surprisingly high supply estimates last week. China is rumored to be the purchaser of 1.14 million tons of corn, which the USDA reported was sold to "unknown destinations" the previous week. Uncertainty regarding weather in the U.S. is also contributing support.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		152.82 160.54	149.28 151.49	143.82 150.90	138.63 144.47	139.61 144.03	139.95 147.05	146.61 149.71	146.34 148.56	147.51 154.19
(Maple Leaf Sig. #4)		155.97 157.17	149.61 151.15	144.07 148.35	137.85 142.99	140.59 142.47	139.99 143.69	145.58 148.25	144.55 147.64	146.04 150.43
Soymeal Delivered	382	389	391	387	385	387	381			
Corn Delivered	289	291	291							



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