

Tuesday, July 12, 2011

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

US Slaughter	
380,000 – Monday's	
400,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$89.58
Western Corn Belt	\$89.41
Daily National Price	\$96.36
Daily Sig3(M.Leaf)	\$158.41
Daily Sig4(M.Leaf)	\$165.33
4-Month Fwd Avg	\$156.62
#1 Export Sows (+500lbs) \$43.50cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9666CAD / \$1.0346US	
<b>Cash Prices: Week Ending July 8th, 2011</b>	
75.61/166.68 Signature #3	
76.75/169.20 Signature #4	
75.10/165.56 H@ms Cash	
75.91/167.36 Hylife	

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**Forward contract prices opened lower this morning.** U.S. cash markets continue to experience weakness as packers attempt to recover their operating margins from an extended period of unprofitability. However, futures markets jumped higher, diverging from the cash market trend, after the market developed ideas that China would ramp up its pork purchases which could impact the August – September cash prices. In the last three weeks, futures traders have done a complete reversal in their view of near term cash prices. Traders had discounted the July contract by more than \$5.00/cwt compared to the cash market, while today, they have August valued at a premium of close to \$10.00/cwt. The Canadian Dollar is also contributing to higher forward prices as it sees weakness compared to the U.S. Dollar, which has been impacted by investors looking for a safe haven amid the economic uncertainty arising from Europe.

**Canadian delivered soymeal prices opened lower this morning.** A less threatening supply forecast has soybean prices moving lower this morning. The USDA estimated ending stocks to reach 200 million bushels, which is up 20 million bushels from the June estimate. As well, South American production is anticipated to be higher than previous estimates, which will help alleviate global demand.

**Canadian delivered corn prices opened higher this morning.** Corn prices are moving higher after the USDA projected ending stocks to be 868 million bushels in yesterday's Supply and Demand Report. The estimate is up from the June projection of 730 million, but below the average analyst estimate of 911 million bushels.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		164.31 168.53	160.75 162.97	155.30 162.42	148.32 154.20	149.30 153.75	147.59 154.72	154.27 157.39	152.58 154.81	154.05 163.45
(Maple Leaf Sig. #4)		165.61 166.76	160.05 161.60	154.52 158.83	146.56 151.73	147.96 149.86	146.30 150.02	151.92 153.53	149.81 152.93	150.31 154.70
Soymeal Delivered	383	391	392	394	395	395	398			
Corn Delivered	279	281	281							



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