

Tuesday, May 29, 2012

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

US Slaughter	
2.07 Mill – Last Week's	
2.05 Mill – Last Week's (year ago)	
Western Corn Belt	\$82.50
Daily National Price	\$85.69
Daily Sig3(M.Leaf)	\$155.53
Daily Sig4(M.Leaf)	\$156.43
4-Month Fwd Avg	\$152.78
#1 Export Sows (+500lbs) \$43.25cwt	
B of C Ex. Rate (Noon) \$1.0285CAD / \$0.9723US	
Cash Prices: Week Ending May 25th, 2012	
71.07/156.69	Signature #3
70.01/154.35	Signature #4
69.90/154.11	h@ms Cash
68.58/151.20	Hylife
ISO Weans	\$21-34US
Feeder Pigs	\$41-55US

Forward contract prices opened higher this morning. U.S. cash markets are starting this holiday shortened week steady to lower with packers having slaughter requirements bought up well into the week. Last week's slaughter numbers were down sharply from the previous weeks, but hog weights are still holding up near 209 lbs., 3 pounds heavier than year ago levels. Traders will be watching for signs of good product movement over the weekend, which will help alleviate the impact of the recent high production and large inventory of pork in storage. Lean Hog futures are content to trade near steady with levels seen late last week, as nearby contracts are holding only a modest premium over the current cash market. The Canadian dollar has recovered some of last week's losses after polls from Europe showed that Greek voters favored a pro-bailout party over others. The news serves to lessen the uncertainty of Greece leaving the Euro and upsetting global currency markets.

Canadian delivered soymeal prices opened higher this morning. South American soybean crop projections have been reduced several times by the International Grains Council, now showing a decline of 16%. This puts pressure on the U.S. to have a large soybean crop in order to meet potential export demand. Weather for the Midwest appears to be supportive with warm sunny days, and some regional showers.

Canadian delivered corn prices opened mixed this morning. Weather in the Midwest has been near ideal for planting and germination, but there are areas in need of a rain in order to avoid moisture stress to the plant and maximize yield potential. This afternoon USDA will release updated ratings of the condition of the corn crop.

	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		149.14	156.44	147.80	147.95	141.26	134.62	136.50	137.61	144.72
(Maple Leaf Sig. #4)		152.88	157.38	157.66	148.42	148.32	139.79	140.73	143.30	147.10
Soymeal Delivered	500	495	493	495	496	451				
Corn Delivered	281	281								

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