

Thursday, May 31, 2012

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

US Slaughter	
425,000 – Wednesday's	
424,000 – Wednesday's (year ago)	
Western Corn Belt	\$82.32
Daily National Price	\$84.49
Daily Sig3(M.Leaf)	\$155.21
Daily Sig4(M.Leaf)	\$154.26
4-Month Fwd Avg	\$157.72
#1 Export Sows (+500lbs)	\$43.25cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0286CAD / \$0.9722US	
<b>Cash Prices: Week Ending May 25th, 2012</b>	
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 turned higher in trade yesterday, spurred by close to a \$2.00/cwt. increase in the pork cut-out. The specific cuts that contributed to the increase were Loins and Hams, leaving some question as to how well pork performed compared to competing meats over Memorial Day weekend. However, packers were optimistic enough to start bidding the price of hogs higher. Traders of Lean Hog futures appear to be throwing caution to the wind, with nearby contracts trading \$2.00/cwt. higher than the lows seen in trade yesterday. For producers that have been waiting for a recovery in futures prices before adding protection to the late summer and fall period, this timeframe is trading near its highest level in a month and represents fair value.

**Canadian delivered soymeal prices opened lower this morning.** The Soybean outlook in the U.S. is stressed by uncertainties in demand, the global economy and weather. China confirming they are not planning another large stimulus program is having a negative impact on the global economy. China recently sold 75,788 tonnes of soy from their reserves.

**Canadian delivered corn prices opened lower this morning.** Mid-June weather is forecast to be hotter and dryer than normal, with forecasted rain in the next few days abating near term concerns. Corn production in the Ukraine may reach record high of 26 million tonnes, 3.3 million tonnes more than last year.

	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		155.38	161.64	153.93	152.03	145.21	136.98	138.88	138.96	146.09
(Maple Leaf Sig. #4)		159.16	162.59	163.88	152.51	152.33	142.21	143.16	144.66	148.46
Soymeal Delivered	495	491	488	490	491	450				
Corn Delivered	281	281								

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