

Wednesday, June 06, 2012

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

US Slaughter	
404,000	– Tuesday's
407,000	– Tuesday's (year ago)
Western Corn Belt	\$88.69
Daily National Price	\$86.49
Daily Sig3(M.Leaf)	\$169.30
Daily Sig4(M.Leaf)	\$159.88
4-Month Fwd Avg	\$159.87
#1 Export Sows (+500lbs)	\$43.75cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0414CAD / \$0.9602US	
<b>Cash Prices: Week Ending June 1st, 2012</b>	
70.36/155.12	Signature #3
70.24/154.86	Signature #4
69.42/153.05	h@ms Cash
68.63/151.31	Hylife
ISO Weans \$21-35US	
Feeder Pigs \$44-53US	

**Forward contract prices opened higher this morning.** U.S. cash markets were sharply higher in trade yesterday, surprising market participants by the magnitude of the move. Some question as to how sustainable the gains are as estimated packer operating margins have been pushed deep into the red at \$13.00/hog. Nevertheless, it is a positive factor to see packers so competitive for the diminishing supply. Lean Hog futures are showing cautious gains with the exception of the June contract which is set to expire next week. After the recent rally, traders are hesitant to get too bullish on the market as there are still concerns of weaker domestic demand and the large inventory in cold storage. The Canadian Dollar increased only modestly in trade yesterday after the Bank of Canada held their benchmark interest rate steady at 1.00%.

**Canadian delivered soymeal prices opened higher this morning.** The soybean market is seeing support from outside forces along with firm demand for meal. Offsetting this is forecasted rain for the next 6-10 day period across the Midwest. Concern that the Corn Belt crops may experience some stress due to dryness will continue unless significant rain comes to fruition.

**Canadian delivered corn prices opened higher this morning.** Corn may see support from the updated weather outlook for the next week and a half. Forecasted rain looks to be sufficient enough to maintain crop development. The longer term weather outlook looks more bullish, hot and dry for the heart of the Corn Belt.

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		167.65	158.07	155.26	148.25	139.67	141.57	142.18	149.34
(Maple Leaf Sig. #4)		168.60	168.03	155.74	155.38	144.89	145.84	147.91	151.73
Soymeal Delivered	497	500	503	505	461				
Corn Delivered	274	274							

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