

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

Hog Margin Outlook

Meeting Your Marketing Needs

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Tuesday, June 12, 2012

Forward contract prices opened mixed this morning. Cash markets started the week higher yesterday, with all regions posting gains. Wholesale product markets made dramatic gains, resulting in a \$2.59/cwt. increase in the pork cut-out. The cash market appears to be making up for the lost months of April and May, when prices were static during a period typically characterized by a bullish seasonal trend. Recent export numbers confirmed the suspicions of most analysts, with April's volumes coming in near steady with February and March. April's total exports were still 13.5% larger than year ago levels, but the trend has been to smaller volumes as the year progresses. It seems unlikely that China will be able match the volumes it purchased in the last half of 2011, which could pressure cash prices this fall. The Canadian dollar is up close to 40 points this morning in spite of this weekend's election in Greece that, should the left wing party win, could see the country reject the current bailout and lead to Greece leaving the Euro.

Canadian delivered soymeal prices opened mixed this morning. The weekly soybean crop condition report indicated 60% of the crop is in good to excellent condition, a reduction of 5% from last week. Soybean plantings are 97% completed. U.S. Soybean ending stocks have declined by 5 million bushels. World soybean meal ending stocks forecast for 2012/13 has slightly decreased by 0.01 million metric tons.

Canadian delivered corn prices opened lower this morning. The weekly corn crop condition report indicated 66% of the crop is in good to excellent condition, a reduction of 6% from last week. This reduction emphasizes the importance of rain to the crop while entering into the pollination phase. World Corn ending stocks forecast for 2012/13 has increased by 2.40 million metric tons.

US Slaughter	
386,000 — Monday's	
394,000 — Monday's (year ago)	
Western Corn Belt	\$91.16
Daily National Price	\$90.26
Daily Sig3(M.Leaf)	\$171.83
Daily Sig4(M.Leaf)	\$164.74
4-Month Fwd Avg	\$160.28
#1 Export Sows (+500lbs)	\$44.00cwt
B of C Ex. Rate (Noon) \$1.0283CAD / \$0.9725US	
Cash Prices: Week Ending June 8th, 2012	
76.37/168.37 Signature #3	
72.13/159.02 Signature #4	
74.40/164.03 h@ms Cash	
71.43/157.47 Hylife	
ISO Weans \$21-34US	
Feeder Pigs \$43-53US	

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		170.16 171.11	159.28 169.22	154.37 154.84	147.56 154.67	138.65 143.86	140.55 144.81	140.40 146.07	147.49 150.33	143.18 147.91
(Maple Leaf Sig. #4)		169.36 170.82	161.57 167.98	154.98 159.65	146.75 154.64	139.96 145.28	139.96 146.01	141.45 144.02	146.58 148.32	145.52 147.35
Soymeal Delivered	519	521	524	526	474					
Corn Delivered	282	282								

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