

Wednesday, June 13, 2012

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

US Slaughter	
392,000 – Tuesday's	
405,000 – Tuesday's (year ago)	
Western Corn Belt	\$92.29
Daily National Price	\$91.27
Daily Sig3(M.Leaf)	\$173.70
Daily Sig4(M.Leaf)	\$166.35
4-Month Fwd Avg	\$157.07
#1 Export Sows (+500lbs)	\$44.00cwt
B of C Ex. Rate (Noon)	\$1.0268CAD / \$0.9739US
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	

Forward contract prices opened lower this morning. U.S. packers are maintaining cash bids near steady with yesterday's trade. The hog supply is tightening up, putting pressure on them to bid more aggressively for hogs. However, operating margins remain poor especially for those packers that sell a large portion of their production as fresh pork into the wholesale market. Lean Hog futures traded lower yesterday, but are still representing a stable trend for the next two months. Fall month forward contracts are trading at the high end of their two month trading range, resulting from firm Lean Hog futures combined with a weaker Canadian Dollar. There will be a great deal of attention paid to the election of a new government for Greece on Sunday. Should that country elect the left wing party that is currently leading in the polls, uncertainty in the Euro could cause the Canadian Dollar to drop to its lowest level in years.

Canadian delivered soymeal prices opened lower this morning. China's soybean import estimates were increased by 1 million tonnes, while production estimates were simultaneously reduced by 1.2 million tonnes. Weather forecasts for the U.S. crop have indicated timely rains and long term expectations for good summer weather.

Canadian delivered corn prices opened lower this morning. The long term outlook for Corn remains bearish as the USDA report maintained a forecast for the 2012/13 corn ending stocks at 1.881 billion bushels. 66% of the crop is rated good to excellent. Weather forecasts have been supportive with rain and cooler temperatures to ease crop stress as it enters into the beginning of the pollination phase.

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		166.94	155.73	151.96	145.26	136.85	138.74	138.92	146.02	141.81
(Maple Leaf Sig. #4)		167.88	165.62	152.43	152.34	142.05	142.99	144.60	148.85	146.55
Soymeal Delivered	512	514	517	519	467					
Corn Delivered	280	280								

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.

