

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

US Slaughter	
390,000	– Tuesday's
407,000	– Tuesday's (year ago)
Western Corn Belt	\$100.87
Daily National Price	\$97.62
Daily Sig3(M.Leaf)	\$188.19
Daily Sig4(M.Leaf)	\$176.37
4-Month Fwd Avg	\$156.49
#1 Export Sows (+500lbs)	\$43.45cwt
B of C Ex. Rate (Noon)	
\$1.0178CAD / \$0.9825US	
Cash Prices: Week Ending June 15th, 2012	
79.37/174.99	Signature #3
75.49/166.43	Signature #4
77.50/170.85	h@ms Cash
75.22/165.83	Hylife
ISO Weans \$22-35US	
Feeder Pigs \$45-53US	

Wednesday, June 20, 2012

Forward contract prices opened higher this morning. U.S. cash markets are coming under some pressure as buyers are hesitant to pay prices that are close to 20% higher than month ago levels. Hog slaughter is down almost 150,000 head per week from one month ago, while hog weights have shrunk to 204 lbs. The combination of these two factors has led to an 8.5% drop in pork being supplied to the market over the last month, a significantly larger drop than was anticipated. Traders of Lean Hog futures are betting that the rally in cash prices is capped at current levels as the July and August contracts are trading at a discount to the current cash market. The rally in the Canadian Dollar seen earlier this week appears to have topped out near US\$0.98. While our currency appreciated on the news that Greece had elected a pro-bailout government, investors are still cautious about Europe and its challenges in stabilizing the Euro.

Canadian delivered soymeal prices opened mixed this morning. Uncertain weather, as well as questions relating to global demand is holding soybean prices steady. Drought reduced soybean production in Brazil and Argentina, could translate into an increase in U.S. demand for soy.

Canadian delivered corn prices opened mixed this morning. Corn is approaching the key pollination phase in parts of the Midwest, making rain crucial to maintaining current yield projections. With near term rain added to the forecast for the Corn Belt, prices could ease up.

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		171.31	158.53	151.01	144.20	135.49	137.36	137.91	144.94	141.70
(Maple Leaf Sig. #4)		172.25	168.36	151.48	151.23	140.64	141.58	143.54	147.76	146.39
Soymeal Delivered	501	501	505	508	487					
Corn Delivered	284	284								

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