

Thursday, June 21, 2012

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

<i>US Slaughter</i>	
398,000 – Wednesday's	
405,000 – Wednesday's (year ago)	
Western Corn Belt	\$101.76
Daily National Price	\$98.91
Daily Sig3(M.Leaf)	\$190.14
Daily Sig4(M.Leaf)	\$178.97
4-Month Fwd Avg	\$156.74
#1 Export Sows (+500lbs) \$43.45cwt	
B of C Ex. Rate (Noon) \$1.0194CAD / \$0.9810US	
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	

Forward contract prices opened higher this morning. U.S. cash markets moved sharply higher in trade yesterday, as retailers scrambled to meet demand amid the tighter pork supplies. Over the last month, pork supplies have decreased by nearly 10%, due to falling hog numbers and lighter hog weights. This drop in supply is typically seen earlier in the year, catching wholesale buyers by surprise. Futures traders however remain cautious about the cash market influence on the futures, as reflected by the steady trend seen in the Aug-Dec contracts over the last month. These contracts are currently trading at or near the values at which the 2011 contracts expired. Part of the rationale for the lack of a bullish trend in these contracts is the view that China's purchases may be cut in half compared to 2011 levels. The Canadian Dollar is trading lower this morning, influenced by weaker commodity prices.

Canadian delivered soymeal prices opened mixed this morning. The soybean complex opened lower this morning, with traders focusing on the demand implications of slower global economic growth. Today's weakness has made little impact on this week's trend after the soybean market shot up more than 40 cents/ bushel earlier this week. Weather is trumping all other market factors, and conditions remain unseasonably dry for much of the Cornbelt.

Canadian delivered corn prices opened lower this morning. Weather remains the focus in the corn pit this morning, triggering some weakness in the new crop futures. Storm systems have been developing in the Western Cornbelt, easing some of the pressure. However, eastern sections are in higher need, with a current moisture deficit of more than two inches as compared to normal precipitation levels.

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Fixed Forward Range (Maple Leaf Sig. #3)		171.86	158.13	151.31	144.52	136.48	138.36	138.90	145.97	142.58
(Maple Leaf Sig. #4)		172.80	168.00	151.78	151.59	141.66	142.60	144.56	148.80	147.29
Soymeal Delivered	507	507	513	515	494					
Corn Delivered	284	284								

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