

Thursday, June 28, 2012

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

US Slaughter	
403,000–	Wednesday's
405,000 –	Wednesday's (year ago)
Western Corn Belt	\$98.15
Daily National Price	\$102.29
Daily Sig3(M.Leaf)	\$184.53
Daily Sig4(M.Leaf)	\$186.23
4-Month Fwd Avg	\$152.79
#1 Export Sows (+500lbs)	\$43.35cwt
B of C Ex. Rate (Noon) \$1.0257CAD / \$0.9749US	
Cash Prices: Week Ending June 22th, 2012	
85.74/189.02	Signature #3
79.98/176.32	Signature #4
83.39/183.84	h@ms Cash
80.25/176.91	Hylife
ISO Weans \$26-35US	
Feeder Pigs \$44-56US	

Forward contract prices opened mixed this morning. U.S. packers are still dropping their cash bids, despite signs of stronger consumer demand that has helped the pork cut-out strengthen to the \$100/cwt benchmark. This week's slaughter is expected to be under 1.95 million hogs, with hot summer temperatures impacting marketings. In addition to tighter hog numbers, carcass weights have fallen dramatically, contributing to the reduction in overall supply and consequently adding a bullish influence on the market. Lean Hog futures recovered most of the early week losses yesterday, as futures had developed a significant discount to the cash market. Today's focus will be predominantly positioning ahead of tomorrow's Hogs and Pigs report. While most analysts are forecasting only modest increases in supply, the June report has had a history of adding volatility to the market. The Canadian Dollar is maintaining its recent trading range around US\$0.97.

Canadian delivered soymeal prices opened higher this morning. Due to widespread dryness, traders are taking a cautious approach to tomorrow's USDA soybean production estimate, with the belief that some acres may have been lost due to poor germination. The critical reproductive stage for soybeans happens in late July or early August, however weather currently is still a concern. Forecasts the next two weeks are for above average temperatures and below average rain.

Canadian delivered corn prices opened higher this morning. Weather forecasts are showing two weeks of hot temperatures with limited rain in the Northern U.S. Corn Belt. Dry areas of the Corn Belt will not likely get a reprieve as the U.S. Seasonal Drought Outlook indicates this problem will persist. Limited relief for corn will be seen this morning with some rain over southern Minnesota and eastern Iowa.

	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		174.76	159.31 169.26	150.16 150.63	143.26 150.38	134.81 140.03	136.71 140.98	137.70 143.40	144.83 147.68	143.78 147.58	145.80 149.61
(Maple Leaf Sig. #4)		172.72	160.88 167.31	150.91 155.59	142.59 150.49	136.24 141.57	136.24 142.31	138.86 141.44	144.02 145.77	145.22 147.06	145.34 148.56
Soymeal Delivered	514	514	516	518	500						
Corn Delivered	280	284									

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