

Wednesday, March 23, 2011

Hog Prices: ↔ **Soymeal:** ↑

Corn: ↑ **Cdn Dollar:** ↓

US Slaughter	
421,000 — Tuesday's	
429,000 — Tuesday's (year ago)	
US Iowa/Sthrn MN	\$82.21
Western Corn Belt	\$81.94
Daily National Price	\$84.12
Daily Sig3(M.Leaf)	\$146.71
Daily Sig4(M.Leaf)	\$145.85
4-Month Fwd Avg	\$168.88
#1 Export Sows (+500lbs) \$48.00cwt	
B of C Ex. Rate (Noon) \$0.9768CAD / \$1.0238US	
Cash Prices: Week Ending March 18th, 2011	
65.26/143.88 Signature #3	
67.09/147.91 Signature #4	
64.81/142.89 MPMC Cash	
65.67/144.77 Hylife	

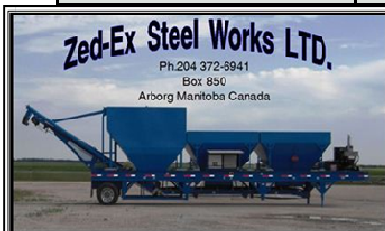
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Forward contract prices opened steady this morning. U.S. cash markets are holding the gains made earlier this week, but with packers planning a relatively modest Saturday slaughter, additional increases will likely be minimal. Packers are benefitting from good margins, with the spread between the pork cut-out and live hog costs near \$11.00/cwt resulting in a margin of close to \$22 per hog. Lean hog futures continue to recover from the downturn that it experienced after Japan's disaster, with the June contract trading slightly higher than it was before the event. Traders remain very optimistic in a steady rally in cash prices over the next several weeks and months as the April and June contracts hold an \$8.00 and \$20.00/cwt premium over the current cash market respectively. Yesterday's USDA Cold Storage Report did little to reduce this premium, even after it revealed that supplies of pork were 12% larger than at this time last year.

Canadian delivered soymeal prices opened higher this morning. Heavy rainfall in northern Brazil is having a bullish impact on soybean prices as their harvest continues to be delayed. As well, concerns that U.S. farmers will not plant enough soybeans to replenish supplies is also contributing to the upwards movement along with higher crude oil futures and metal markets.

Canadian delivered corn prices opened higher this morning. Corn futures moved higher this morning as there continues to be disappointment over the lack of confirmation for sales to China. In addition, wet weather in the northern Plains and the Midwest could reduce corn plantings this spring, as farmers would not get on the field early enough to sow the crop.

	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		163.33	171.04	171.94	175.73	163.30	159.68	154.25	144.64	147.00
			174.19	176.90	176.63	176.54	160.58	160.15	150.17	149.72
(Maple Leaf Sig. #4)		157.73	165.10	168.95	169.91	164.53	157.43	152.27	142.17	145.51
			168.25	171.74	171.48	170.52	159.36	156.67	147.44	147.09
Soymeal Delivered	400	401	407	417	422	426	428	423	422	422
Corn Delivered	265	267	269	271						



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