

Friday, April 08, 2011

Hog Prices: ↓ **Soymeal:** ↓

Corn: ↓ **Cdn Dollar:** ↑

US Slaughter	
414,000 – Thursday's	
414,000 – Thursday's (year ago)	
US Iowa/Sthrn MN	\$87.86
Western Corn Belt	\$87.80
Daily National Price	\$89.93
Daily Sig3(M.Leaf)	\$154.39
Daily Sig4(M.Leaf)	\$153.13
4-Month Fwd Avg	\$164.96
#1 Export Sows (+500lbs) \$49.00cwt	
B of C Ex. Rate (Noon) \$0.9593CAD / \$1.0424US	
Cash Prices: Week Ending April 8th, 2011	
70.14/154.62 Signature #3	
69.20/152.56 Signature #4	
69.11/152.36 MPMC Cash	
UNAVAILABLE	Hylife

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Forward contract prices opened lower this morning. U.S. cash markets are trading lower this morning as packers are trying to protect their margins as the pork cut-out is stagnant and hog supplies dwindle. Despite the recent steady trend, the pork cut-out is trading better than 20% higher than year ago levels, but the support has come predominantly from the belly primal. Pork bellies are the primal cut that tend to see the highest volatility, with last fall's \$60/cwt drop in price over a two week period being the most recent example of this. Lean hog futures were sharply lower yesterday after news of another earthquake hitting Japan hit the market. While there is no direct rationale for this weakness, traders started profit taking after sell stops were triggered. The Canadian Dollar pushed up to new highs of US\$1.0450 this morning based largely on new jobs data that showed Canada created 90,000 new full time jobs.

Canadian delivered soymeal prices opened lower this morning. A lack of changes to soybean ending stocks in today's government report has soybean futures moving steady to lower. USDA March and April estimates were 140 million bushels, above the average analyst estimate of 137 million bushels. Spillover weakness from corn and an increase in yield projections for Brazil are also putting pressure on prices.

Canadian delivered corn prices opened lower this morning. A surprise lack of adjustments to the current USDA forecast for corn supplies has corn prices moving lower this morning. Prices hit record highs this week as the market braced itself for a decrease in already tight ending stocks. The USDA also reported a slight increase in ethanol use with a corresponding cut to feed and residual use.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range (Maple Leaf Sig. #3)		166.44 168.63	166.44 171.26	170.70 171.58	163.31 172.37	159.78 160.67	154.49 160.23	146.81 152.20	147.78 151.76	146.34 152.08
(Maple Leaf Sig. #4)		161.68 162.87	163.55 166.27	165.05 166.58	164.36 166.49	157.46 159.33	152.43 156.70	144.22 149.35	146.19 149.01	143.50 147.10
Soymeal Delivered	376	380	392	396	411	410	399	405	405	
Corn Delivered	286	288	290	290						



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