

Monday, April 11, 2011

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

US Slaughter	
2.069 Mill. – Last Week's	
2.008 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$89.39
Western Corn Belt	\$88.88
Daily National Price	\$90.26
Daily Sig3(M.Leaf)	\$155.85
Daily Sig4(M.Leaf)	\$153.26
4-Month Fwd Avg	\$165.86
#1 Export Sows (+500lbs)	\$49.00cwt
B of C Ex. Rate (Noon)	\$0.9566CAD / \$1.0454US
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	
69.03/152.19 Hylife	

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Forward contract prices opened higher this morning. U.S. cash markets are called to open steady this morning after Friday's strength brought some regions up to the \$90/cwt level. Packers were able to source enough hogs to take slaughter levels to 2.07 million head, about 3% larger than year ago levels. Slaughter levels have bounced around for the last several weeks, making it difficult to get a handle on the trend. This week, packers could take a more cautious approach to their buying program as the pork cut-out is at risk of significant losses, should the belly primal see some weakness. Lean hog futures have found support at current price levels with the summer month contracts down about 4% from contract highs. The Canadian Dollar is being supported by commodity prices (Crude oil is +\$112/barrel) and anticipation for tomorrow's interest rate announcement by the Bank of Canada.

Canadian delivered soymeal prices opened lower this morning. Harvest progress in Brazil, along with higher South American output forecasts have soybean trading lower this morning. As well, the expectation for Chinese imports to decrease in the face of negative crush margins is also working to put pressure on prices. Cool wet conditions in the Midwest may entice more soybean acres for 2011.

Canadian delivered corn prices opened higher this morning. Rain, thunderstorms and snow throughout the Midwest are expected to slow fieldwork for the next 10 days. Traders are worried that farmers will plant fewer acres of corn, and that late planted corn will produce less grain. Analysts currently estimate 4-6% of seeding to be complete.

	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Fixed Forward Range (Maple Leaf Sig. #3)		169.70 170.14	167.95 172.78	171.56 172.44	164.51 172.79	160.99 161.87	155.46 161.19	147.79 153.17	148.76 152.73	147.33 153.08
(Maple Leaf Sig. #4)		163.99 164.34	165.02 167.74	165.88 167.41	165.54 166.90	158.63 160.50	153.36 157.63	145.16 150.29	147.13 149.95	144.47 148.07
Soymeal Delivered	372	375	388	393	412	410	398	405	405	
Corn Delivered	287	289	291	291						



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