

Monday, March 05, 2012

Forward contract prices opened mixed this morning. U.S. cash markets are called to trade steady to higher this week, in spite of estimated operating margins still running in the red. The pork cut-out is trading at a slight discount to what packers are paying for live hogs, continuing the two month long trend of poor profitability for packers. Compared to last year, cash hog prices are running approximately 6% higher, while the pork cut-out is trading 6% lower. However, Lean Hog futures have seen little influence from the poor cash market fundamentals, with the summer month contracts all trading within 50 cents of \$100/cwt. The Canadian Dollar has had a negative impact on forward prices in recent days, trading at a value of more than US\$1.01, at the high end of its 4 month trading range.

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

US Slaughter	
2.15 Mill — Last Week's	
2.14 Mill — Last Week's (year ago)	
Western Corn Belt	\$85.79
Daily National Price	\$87.96
Daily Sig3(M.Leaf)	\$155.49
Daily Sig4(M.Leaf)	\$154.38
4-Month Fwd Avg	\$167.35
#1 Export Sows (+500lbs)	\$48.75cwt
B of C Ex. Rate (Noon) \$0.9888CAD / \$1.0113US	
Cash Prices: Week Ending March 2nd, 2012	
70.82/156.13 Signature #3	
70.16/154.68 Signature #4	
69.75/153.77 h@ms Cash	
68.82/151.72 Hylife	
ISO Weans \$46.50-64.50US	
Feeder Pigs \$80-95US	

2012 Annual District Meetings

Manitoba	Date	Time	Location
Heartland Marketing District - Starbuck	Mon, Mar 5	1:30 PM	Starbuck Community Hall; 25 Main Street, Starbuck
Southwest District - Somerset	Wed, Mar 7	1:30 PM	Somerset Community Hall; 201 1st Street, Somerset
Northwest District - Neepawa	Wed, Mar 7	7:00 PM	Royal Canadian Legion #23; 423 Brown Avenue, Neepawa
H.B. Marketing District - Portage la Prairie	Thurs, Mar 8	2:00 PM	The Glesby Centre; 11 2nd Street, NE, Portage la Prairie
Interlake East District - Oak Hammock Marsh	Fri, Mar 9	1:30 PM	Oak Hammock Marsh; Snowgoose Bay at Highway 220
South Central District - Morris	Wed, Mar 14	1:30 PM	Morris Big M Centre; Stampede Grounds, Morris

Canadian delivered soymeal prices opened mixed this morning. This week looks to start off slow as a soft Chinese economic outlook and interest in the next Greek aid tranche has put a bearish sway on the markets. Contributing further is warm dry weather in Brazil, creating good harvest condition for soy.

Canadian delivered corn prices opened higher this morning. Corn prices in China are high; as they have endured adverse weather for their crops, as well as increased labour and fertilizer costs. China looks to become an active purchaser sooner than originally anticipated. Concerns that the 2012 U.S. crop insurance guarantees may encourage more corn than soybean plantings are seen as a negative force.

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		154.49 164.55	169.98 174.09	169.52 175.92	175.41 176.33	167.21 176.82	161.12 161.58	154.62 161.51	144.47 149.52	146.31 150.44
(Maple Leaf Sig. #4)		152.62 161.12	166.64 170.71	169.83 173.01	172.35 173.23	167.24 173.27	160.46 164.63	152.58 159.69	144.52 149.68	144.52 149.68
Soymeal Delivered	397	401	402	406	406	413	409			
Corn Delivered	275	278								

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