

Wednesday, March 07, 2012

Forward contract prices opened mixed this morning. U.S. cash markets are trading steady this morning, with hog supplies ample enough to meet production requirements for this week. The trend in hog supplies over the month of March is typically flat with differences in weekly slaughter less than 10,000 hogs per week, due to there being no major holiday causing disruptions. Despite the predictable supplies, packers continue to contend with tight operating margins, a feature that may suggest good export demand for fresh pork. Lean Hog futures dropped sharply yesterday, as all commodity markets experienced a drop triggered by concerns in the global economy, but perpetuated by funds exiting their long positions. The Canadian dollar is trading higher this morning, but is still valued slightly lower than the U.S. Dollar.

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

US Slaughter	
420,000	– Tuesday's
418,000	– Tuesday's (year ago)
Western Corn Belt	\$85.49
Daily National Price	\$87.21
Daily Sig3(M.Leaf)	\$156.94
Daily Sig4(M.Leaf)	\$155.02
4-Month Fwd Avg	\$163.12
#1 Export Sows (+500lbs)	\$49.25cwt
B of C Ex. Rate (Noon) \$1.0015CAD / \$.9985US	
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
68.86/151.81	Hylife
ISO Weans	\$46.50-64.50US
Feeder Pigs	\$80-95US

2012 Annual District Meetings

Manitoba	Date	Time	Location
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 lower this morning. Recent speculation about low South American soybean crop yields has spurred a price rally the last few weeks, however, overall soybean crop estimates should be sufficiently factored in at this point limiting further price gains. Production cutbacks in South America have pushed soybean importers to look toward the U.S. for available supplies, further broadening the U.S. export selling season.

Canadian delivered corn prices opened lower this morning. With a small carryover supply coupled with expectations of increasing demand, corn prices have firm underlying support in the nearby months. Monthly estimates of USDA crop production reports will be released this Friday.

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		150.12 160.24	165.33 169.47	164.87 171.31	171.55 172.47	163.86 173.54	158.70 159.16	152.08 159.01	142.33 147.41	144.13 148.33
(Maple Leaf Sig. #4)		148.40 156.95	162.15 166.25	165.36 168.57	168.62 169.51	164.03 170.10	158.14 162.34	150.13 157.28	142.48 147.66	142.48 147.66
Soymeal Delivered	405	409	410	413	413	418	413			
Corn Delivered	275	278								

This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.

Rothsay Animal Vegetable Feed Fat
\$840 tonne ↓ (2 – 19 mt)

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