

Monday, March 12, 2012

Forward contract prices opened lower this morning. Cash market bids are seeing pressure from the poor operating margins that packers have experienced over the last two months. The pork cut-out continues to trade at levels less than the value of a live hog, and when compared to a year ago, is running at a deficit of \$6.50/cwt. U.S. hog producers are profitable in current economic conditions, and with the forecast of lower feed costs in the last half of 2012 are projected to be so for the rest of the year. The positive outlook may lead to some modest expansion as sow slaughter has been consistently lower than year ago levels so far this year. Lean Hog futures are starting the week firmer, but the nearby contract months are trading within \$1 - \$2/cwt off the lowest levels seen so far this year. The Canadian dollar is near steady today, but talk of a 5.5 Billion dollar bid for Canada's Viterro is providing some support.

Hog Prices: ↓ **Soymeal:** ↓

Corn: ↓ **Cdn Dollar:** ↓

US Slaughter	
2.13 Mill – Last Week's	
2.15 Mill – Last Week's (year ago)	
Western Corn Belt	\$84.88
Daily National Price	\$87.59
Daily Sig3(M.Leaf)	\$153.95
Daily Sig4(M.Leaf)	\$153.84
4-Month Fwd Avg	\$160.98
#1 Export Sows (+500lbs)	\$49.25cwt
B of C Ex. Rate (Noon)	\$0.9895CAD / \$1.0106US
Cash Prices: Week Ending March 9th, 2012	
70.84/156.18 Signature #3	
70.15/154.65 Signature #4	
69.76/153.80 h@ms Cash	
68.74/151.55 Hylife	
ISO Weans	\$46.50-64.50US
Feeder Pigs	\$80-95US

2012 Annual District Meetings

Manitoba	Date	Time	Location
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. Concerns that high prices could slow global demand, and increase the soybean crop size should farmers decide to plant in the spring were calmed as the recent rally has halted. With no fresh supportive news and profit taking, from the recent gains, soy prices look to open 1 to 2 cents lower this morning.

Canadian delivered corn prices opened lower this morning. Market focus should shift towards the USDA's prospective planting report for March 30th, with expectations of a significant increase in the number of acres devoted to corn for 2012. Corn in Argentina is currently 20 cents per bushel cheaper than U.S. corn, which supports world prices.

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		151.42 159.19	161.74 165.85	161.29 167.68	166.58 167.50	159.63 169.23	154.78 155.23	147.53 154.38	138.91 143.93	140.74 144.85
(Maple Leaf Sig. #4)		148.31 155.92	158.66 162.73	161.84 165.03	163.79 164.68	159.89 165.92	154.31 158.48	145.69 152.76	139.12 144.24	139.12 144.24
Soymeal Delivered	401	405	406	410	410	415	410			
Corn Delivered	275	278								

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