

Tuesday, March 13, 2012

Forward contract prices opened mixed this morning. U.S. cash markets are hovering in the mid-\$80s/cwt, with no obvious signs of departure from this area. The pork cut-out has run at a discount to cash bids for the last 2 months, a situation that is not uncommon, but is not sustainable in the long term. Weekly slaughter is running about 2.14 million hogs, and will be near this level for about another month. Lean Hog futures have lost about \$5.00/cwt over the last month from when contract highs were put in. The summer is now trading at a \$10/cwt premium over the current cash market, a smaller than average premium when compared to previous years. Traders are growing more pessimistic that export sales will be able to keep pace with year ago levels. The Canadian dollar is trading higher this morning in anticipation of the U.S. Federal Reserve acknowledging the improved outlook for the U.S. economy.

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

US Slaughter	
416,000	Monday's
407,000	Monday's (year ago)
Western Corn Belt	\$84.62
Daily National Price	\$87.33
Daily Sig3(M.Leaf)	\$154.10
Daily Sig4(M.Leaf)	\$154.00
4-Month Fwd Avg	\$161.45
#1 Export Sows (+500lbs)	\$50.25cwt
B of C Ex. Rate (Noon)	\$0.9935AD / \$1.0065US
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 higher this morning. Cumulative soy shipments are at 73.3% of the USDA forecast, which is slightly lower than the five year average of 74.8%. Below expectations, the weekly export inspections for soy was 26.2 million bushels. A surge in Brazil's soy harvest increased global supplies and put pressure on prices.

Canadian delivered corn prices opened higher this morning. Cumulative corn shipments of 52.8% of the USDA forecast were higher than the five year average of 50.8%. Larger than expected weekly export inspections came in at 36.2 million bushels. After six weeks of running in the red, an average Iowa ethanol plant turned a profit last week.

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		151.71 159.44	162.26 166.35	161.81 168.17	167.24 168.15	160.03 169.62	154.95 155.41	148.46 155.33	139.46 144.49	141.29 145.41
(Maple Leaf Sig. #4)		148.59 156.16	159.15 163.21	162.33 165.50	164.43 165.31	160.27 166.28	154.47 158.63	146.60 153.69	139.65 144.79	139.65 144.79
Soymeal Delivered	404	406	407	410	410	416	411			
Corn Delivered	274	276	272							

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Rothsay Animal Vegetable Feed Fat

\$840 tonne ↓ (2 – 19 mt)

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