

Friday, March 16, 2012

Forward contract prices opened lower this morning. U.S. cash markets are finishing the week lower than where they started with packers attempting to balance off the tighter hog numbers against the weaker pork cut-out. However, Saturday's slaughter has been pegged at close to 100,000 hogs, which could provide some support. Lean Hog futures are down about \$6.00/cwt in the summer month contracts from the highs put in 3 weeks ago. Traders have grown more pessimistic about upside potential, as there are questions about China and their interest in maintaining the record large imports of pork from the U.S. The Canadian dollar is finishing this week at the high end of its recent trading range, influenced by ideas of continued job growth in the U.S.

Canadian delivered soymeal prices opened lower this morning. Weekly soybean exports are sharply higher than expectations at 1.394 million tonnes. Meal sales were also high at 160,000 metric tonnes, with the expected volume of 92,000 metric tonnes per week. Dry weather and poor southern Brazil soy yields support prices higher, keeping U.S. crops competitive for exporting.

Canadian delivered corn prices opened lower this morning. Weekly corn export sales came in a tad higher than expected at 836,400 metric tonnes. Cumulative corn sales are 5% higher than the five year average at 74.4%. In Southern Illinois farmers are only supposed to plant after April 6th for crop insurance purposes, yet there are rumblings of producers already planting due to good weather.

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

US Slaughter	
416,000	– Thursday's
423,000	– Thursday's (year ago)
Western Corn Belt	\$85.94
Daily National Price	\$87.72
Daily Sig3(M.Leaf)	\$156.41
Daily Sig4(M.Leaf)	\$154.60
4-Month Fwd Avg	\$159.55
#1 Export Sows (+500lbs)	\$50.25cwt
B of C Ex. Rate (Noon) \$0.9929AD / \$1.0072US	
Cash Prices: Week Ending March 16th, 2012	
70.56/155.56	Signature #3
69.80/153.89	Signature #4
69.46/153.14	h@ms Cash
n/a	Hylife
ISO Weans	\$41-58.50US
Feeder Pigs	\$73-86US

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		149.65 157.40	159.40 163.50	158.94 165.32	167.27 165.72	158.28 167.85	153.59 154.05	147.55 154.42	139.03 144.07	140.86 144.98
(Maple Leaf Sig. #4)		147.92 154.71	156.92 160.97	160.09 163.27	162.59 163.48	158.92 165.10	153.15 157.65	145.72 153.18	139.24 144.39	139.24 145.10
Soymeal Delivered	414	416	417	420	420	423	419			
Corn Delivered	274	276	272							

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