

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

Monday, March 19, 2012

Forward contract prices opened lower this morning. U.S. cash markets are called steady to higher this morning after a large kill of close 100,000 hogs on Saturday tightened the available supply even further. Domestic fresh pork values have been steady since the start of the year, which is typical, but lagging the bullish trend that was seen last year. Export markets continue to support packer operating margins, providing the rationale for packers to be bidding the cash market higher than what the pork cut-out can support. Lean Hog futures continue to erode, as traders are growing more pessimistic about the likelihood that China will maintain the level of pork imports that it has over the last several months. The Canadian Dollar is finding long term support from higher commodity prices and evidence of a slow but steady recovery in the U.S. economy.

Canadian delivered soymeal prices opened lower this morning. Soybean harvest in Brazil is said to be 55% complete. Argentina's truckers are on strike, which could be disruptive to agricultural trade. Support for high soybean prices continues; as export demand remains strong. Additionally the warm/dry Midwest weather has producers considering planting corn over soy.

Canadian delivered corn prices opened lower this morning. Weather for early corn planting is looking ideal as forecasts indicate above normal temperatures for the next few days, possibly two weeks. Tight near term supply along with Chinese demand helps support prices, overnight Chinese corn prices set a record high.

US Slaughter	
2.17 Mill – Last Week's	
2.14 Mill – Last Week's (year ago)	
Western Corn Belt	\$85.27
Daily National Price	\$87.92
Daily Sig3(M.Leaf)	\$154.96
Daily Sig4(M.Leaf)	\$154.71
4-Month Fwd Avg	\$159.31
#1 Export Sows (+500lbs) \$50.25cwt	
B of C Ex. Rate (Noon) \$0.9914AD / \$1.0087US	
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	
68.55/151.12 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)		151.60 156.14	158.29 162.39	157.84 164.20	163.45 164.36	156.57 166.15	152.41 152.87	145.95 152.81	137.87 142.90	139.70 143.81
(Maple Leaf Sig. #4)		148.65 153.50	155.84 159.89	159.01 162.18	161.28 162.16	157.27 163.45	152.01 156.51	144.17 151.61	139.71 143.25	138.11 143.96
Soymeal Delivered	411	413	414	418	418	424	417			
Corn Delivered	274	276	272							

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