

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

Tuesday, March 20, 2012

Forward contract prices opened lower this morning. U.S. cash markets are showing weakness with all of the indicators starting the week negatively, and the futures following suit. The pork cut-out has been losing ground from levels seen earlier this year, a factor that does not support sustained increases in packer bids. However, an offsetting force is the strong export markets that have prevented significant losses in the cash market. Traders do not expect cash prices to hold with last year's trend, as influence from South Korea and China are expected to be moderated by lower volumes. Summer month futures have dropped to the lowest level seen in 2012, and when combined with the currently strong Canadian dollar, forward prices are down more than \$15.00/kg from their highs.

Canadian delivered soymeal prices opened lower this morning. U.S. dollar is up today making U.S. soy more expensive for others to import. In Argentina, truck drivers are still on a serious strike they have called indefinite. The Argentinean government may need to intervene as this in harvest, and the majority of grain moved by trucks to the ports to export can have a large negative impact on exporting abilities.

Canadian delivered corn prices opened lower this morning. Early corn plantings are appearing ideal as rains are called for across the Midwest this week. Along with warm weather forecasted for early April, conditions look very good for farmers' corn acre seeding intentions. Negative external market news and a stronger U.S. currency are contributing to views that the U.S. corn prices are too high and should result in weakness over the near term. Weekly export inspections came in below expectations at a low of 23.195 million bushels.

US Slaughter	
414,000	Monday's
407,000	Monday's (year ago)
Western Corn Belt	\$85.13
Daily National Price	\$87.99
Daily Sig3(M.Leaf)	\$154.17
Daily Sig4(M.Leaf)	\$154.31
4-Month Fwd Avg	\$158.71
#1 Export Sows (+500lbs)	\$50.00cwt
B of C Ex. Rate (Noon)	
\$0.9880AD	/\$1.0121US
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)		150.43	157.64	157.19	162.89	156.31	152.14	145.64	137.66	139.50
(Maple Leaf Sig. #4)		154.99	161.75	163.58	163.81	165.91	152.60	152.52	142.71	143.62
Soymeal Delivered	406	408	409	413	413	419	413			
Corn Delivered	274	276	272							

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Rothsay Animal Vegetable Feed Fat
 \$870 tonne ↓ (2 – 19 mt)

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