

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

# Hog Margin Outlook

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**Wednesday, March 21, 2012**

**Forward contract prices opened lower this morning.** U.S. cash markets are trading firm, but fresh pork prices continue to weaken as measured by the pork cut-out. Wholesale pork prices have declined to the lowest level in months, with current supplies being too abundant to maintain prices. The weakness in the pork cut-out combined with higher volumes of pork trading in the domestic market suggest a slow-down in export sales, likely from China. Lean Hog futures have also been experiencing a bearish trend with influence from both weaker cash markets and negative outside market fundamentals. Summer month contracts have dropped to the lowest levels in 3 months, and are providing limited opportunities for forward pricing. Concerns of slowing economic growth in China have investors concerned the commodity weighted Canadian Dollar, but the Loonie continues trading in a relatively tight trading range.

**Canadian delivered soymeal prices opened mixed this morning.** The soybean market is preparing for the quarterly USDA grain stocks and plantings report due out next week. Prices are being supported by strong export demand and expectations that the USDA will report tighter North American soy inventories, as well as a decline in South American crop estimates.

**Canadian delivered corn prices opened mixed this morning.** With the lack of market news directing corn prices, corn traders are awaiting the USDA quarterly grain stocks and planting intentions report to be released next Friday. The more than favourable Midwest weather conditions continue to support a potentially large 2012 corn crop.

<b>US Slaughter</b>	
415,000 – Tuesday's	
421,000 – Tuesday's (year ago)	
Western Corn Belt	\$85.31
Daily National Price	\$87.93
Daily Sig3(M.Leaf)	\$155.33
Daily Sig4(M.Leaf)	\$155.03
4-Month Fwd Avg	\$158.86
#1 Export Sows (+500lbs) \$50.00cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9933CAD / \$1.0067US	
<b>Cash Prices: Week Ending March 16th, 2012</b>	
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 \$46-50US	
Feeder Pigs \$78-86US	

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		150.57 155.12	157.67 161.77	157.22 163.59	163.24 164.15	156.84 166.43	152.51 152.97	145.88 152.74	137.38 142.41	139.21 143.32
(Maple Leaf Sig. #4)		147.66 152.51	155.24 159.30	158.42 161.59	161.08 161.96	157.54 163.73	152.11 156.62	144.10 151.54	137.64 142.77	137.64 143.48
Soymeal Delivered	408	409	410	413	413	417	414			
Corn Delivered	274	270	272							

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## Rothsay Animal Vegetable Feed Fat

**\$870 tonne ↓ (2 – 19 mt)**

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