

Friday, March 23, 2012

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

US Slaughter	
416,000 – Thursday's	
416,000 – Thursday's (year ago)	
Western Corn Belt	\$83.42
Daily National Price	\$86.94
Daily Sig3(M.Leaf)	\$152.95
Daily Sig4(M.Leaf)	\$154.37
4-Month Fwd Avg	\$159.49
#1 Export Sows (+500lbs) \$50.00cwt	
B of C Ex. Rate (Noon) \$1.0003CAD / \$0.9997US	
Cash Prices: Week Ending March 23rd, 2012	
69.86/154.01 Signature #3	
70.12/154.58 Signature #4	
69.02/152.16 h@ms Cash	
n/a Hylife	
ISO Weans \$46-50US	
Feeder Pigs \$78-86US	

Forward contract prices opened lower this morning. U.S. cash markets are trading lower to finish the week, as packers without the exposure to export sales cannot afford to maintain slaughter levels at this price level. Good export sales have positively impacted the larger, integrated packers in a positive way, forcing those packers more reliant on the domestic market to cut back their slaughter levels and drop their bids. Lean Hog futures have been factoring in a reduction in export business, likely the single biggest factor that caused summer month contracts to lose about 8% of their value in the last several weeks. Yesterday's Cold Storage report revealed a 9% increase in supplies compared to last year and close to a 40% increase over last month. The bearish report will likely prevent any strength from developing, as the larger supplies of pork are tied to slower export sales. The Loonie is trading at its lowest level in two weeks after yesterday's weakness in commodity markets.

Canadian delivered soymeal prices opened higher this morning. Grain truck drivers in Argentina reached a deal yesterday to end the strike. Soybean sales are at a seven week low of 532,800 metric tonnes, as reported by the weekly export sales report. Cumulative soybean sales are 1.3% lower than the five year average, currently at 88.9%. Meal sales came in slightly lower than the expected range, while soy oil sales soared.

Canadian delivered corn prices opened higher this morning. Weekly export corn sales came in on par for the current marketing year, at 862,100 metric tonnes. Cumulative corn sales are above the five year average by 5.2%, currently at 76.4%. Mexico has increased their booked corn by 2.1 million tonnes from last year.

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		151.76 156.36	158.33 162.47	157.87 164.31	163.50 164.42	157.14 166.82	153.08 153.54	146.44 153.37	137.06 142.14	138.90 143.06
(Maple Leaf Sig. #4)		148.83 153.73	155.91 160.01	159.12 162.32	161.36 162.26	157.88 164.13	152.70 157.26	144.67 152.19	137.37 142.56	137.37 143.28
Soymeal Delivered	418	422	424	424	424	230	423			
Corn Delivered	274	270	272							

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