

Monday, March 26, 2012

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

US Slaughter	
416,000 – Friday's	
393,000 – Friday's (year ago)	
Western Corn Belt	\$82.21
Daily National Price	\$86.36
Daily Sig3(M.Leaf)	\$150.42
Daily Sig4(M.Leaf)	\$153.01
4-Month Fwd Avg	\$156.62
#1 Export Sows (+500lbs) \$50.00cwt	
B of C Ex. Rate (Noon) \$0.9982CAD / \$1.0018US	
Cash Prices: Week Ending March 24 th, 2012	
69.86/154.01 Signature #3	
70.12/154.58 Signature #4	
69.02/152.16 h@ms Cash	
68.60/151.24 Hylife	
ISO Weans \$46-50US	
Feeder Pigs \$78-86US	

Forward contract prices opened lower this morning. U.S. cash markets are expected to trade steady to lower this week with few factors supporting prices in the near term. Last week's slaughter came in near 2.13 million hogs, nearly 40,000 hogs fewer than the week previous, but not small enough to trigger a major change in the cash market trend. This week, traders will become increasingly focused on The Hogs and Pigs Report, which is released on Friday afternoon. The Report is expected to show increases of slightly more than 2% for market hog inventory over last year, while the breeding herd inventory is expected to be up by slightly more than 1%. With the recent run of good profitability in the U.S., analysts will be looking for signs of expansion. The Canadian Dollar is trading at parity with the U.S. Dollar, maintaining its relatively narrow trading range for 2012.

Canadian delivered soymeal prices opened higher this morning. Soybean futures are expected to move higher over the week, with a growing belief that corn will command more acres this year based on current planting conditions. Farmers in the mid-west are in the fields several weeks earlier than normal, which typically favours corn in a rotation due to the yield benefits of early planting.

Canadian delivered corn prices opened higher this morning. The corn market has experienced some weakness over the last several trading days, but charts suggest that there is a base level of support at current prices. The trade awaits Friday's Grain Stocks and Prospective Plantings Reports as it is the first credible forecast on this year's U.S. crop.

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		149.27 153.83	155.83 159.93	155.37 161.75	160.58 161.49	154.16 163.73	151.00 151.46	144.40 151.26	135.72 140.75	137.55 141.66
(Maple Leaf Sig. #4)		146.40 151.25	153.46 157.51	156.63 159.80	158.50 159.38	154.93 161.12	150.64 155.14	142.67 150.10	136.03 141.16	136.03 141.87
Soymeal Delivered	422	422	424	425	425	429	422			
Corn Delivered	274	270	272							

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