

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

Tuesday, March 27, 2012

Forward contract prices opened lower this morning. Cash markets appear to be in a holding pattern, with both packer bids and wholesale pork prices changing only marginally to start the week. Some analysts had anticipated a “hole” in marketings before the end of March due to the moderate winter, but this has failed to materialize. Carcass weights have maintained levels just shy of 210 lbs, revealing no indication of hogs being pulled ahead of schedule. Pork carcass values are diverging from last year’s trend, with this year’s price now at a \$14/cwt discount to year ago levels. However, Lean Hog futures continue to hold up reasonably well, given the comparison with year ago prices. Comments from the Chairman of the US Federal Reserve had investors believing that interest rates will stay low for some time. This results in an appetite for more riskier investments such as those denominated in Canadian Dollars.

Canadian delivered soymeal prices opened mixed this morning. A private company’s forecast of a drop in Argentina’s soybean crop by 1.8 million tonnes helped to support the market overnight. This decrease in South American soybean supply would shift buyers to U.S. stocks. Weekly export inspections are within the expected range and finished off at 24.9 million bushels.

Canadian delivered corn prices opened higher this morning. Corn weekly export inspections came in lower than expectations, at 22.2 million bushels. Estimates for old crop ending stocks for corn are down 327 million from last year. Weather forecasts showcase ideal early corn planting conditions; however, extended weather forecasts indicate a possible frost scare for the southern portions of the Corn Belt.

US Slaughter	
410,000 – Monday’s	
409,000 – Monday’s (year ago)	
Western Corn Belt	\$82.01
Daily National Price	\$85.61
Daily Sig3(M.Leaf)	\$149.15
Daily Sig4(M.Leaf)	\$150.77
4-Month Fwd Avg	\$159.92
#1 Export Sows (+500lbs)	\$48.00cwt
B of C Ex. Rate (Noon)	\$0.9922CAD / \$1.0079US
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

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		150.98	159.28	158.82	163.86	157.16	153.59	146.95	137.52	139.35
(Maple Leaf Sig. #4)		155.54	163.39	165.21	164.78	166.75	154.05	153.81	142.56	143.47
Soymeal Delivered	423	424	426	426	426	430	421			
Corn Delivered	274	270	272							

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

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