

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

Wednesday, March 28, 2012

Forward contract prices opened lower this morning. U.S. packers continue to contend with negative operating margins, a feature of cash markets that has been consistently present for most of 2012. Sluggish pork prices, caused in part by a slowdown in pork sales to China has prevented any kind of rally that is sometimes seen at this time of year. Last year, both hog and pork prices increased by about 20% from the start of the year, while this year prices have been nearly flat. While Lean Hog futures have dropped from their highs more than 5%, they still hold a premium to the cash market equal to the normal historical relationship. The trade will start to see influence from Friday's Hogs and Pigs Report, which is expected to show marginally larger numbers in all the major categories. Most analysts have the Report showing slightly more than a 2% increase in Market hogs, with the Breeding category up slightly more than 1%.

Canadian delivered soymeal prices opened mixed this morning. This Friday the USDA is set to release multiple reports. Among these are the Prospective Plantings and Grain Stocks Reports; which will help set and sway the market for the new crops. Current estimates for this summer's soybean crop are 75.5 million planted acres; the 2011 actual planted acres were 74.976.

Canadian delivered corn prices opened higher this morning. The USDA Plantings and Grain Stocks Reports have grain markets impatiently waiting for Friday. Corn hasn't had any information to sway the markets and thus have been trading within a narrow range. It is anticipated with the ideal early planting weather for corn, the planted acres will be more than the original estimate.

US Slaughter	
412,000	– Tuesday's
420,000	– Tuesday's (year ago)
Western Corn Belt	\$81.22
Daily National Price	\$84.99
Daily Sig3(M.Leaf)	\$147.80
Daily Sig4(M.Leaf)	\$149.78
4-Month Fwd Avg	\$159.35
#1 Export Sows (+500lbs)	\$48.00cwt
B of C Ex. Rate (Noon)	
\$0.9928CAD / \$1.0073US	
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)		149.04	158.65	158.19	163.78	156.89	152.76	145.95	136.77	138.61
(Maple Leaf Sig. #4)		153.62	162.76	164.59	164.70	166.53	153.22	152.84	141.82	142.74
Soymeal Delivered	422	425	427	429	429	432	424			
Corn Delivered	274	270	272							

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

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