

Friday, March 30, 2012

Forward contract prices opened mixed this morning. U.S. cash markets broke under the significant pressure of poor profitability yesterday, with 3 of the 4 major reporting regions dropping under the \$80/cwt mark. Packers that have benefitted from strong export sales recently could no longer rationalize the prices that they were paying. Tightening supplies over the month of April will likely stem the bearish trend that the cash market has experienced. Lean Hog futures also reacted negatively to the cash market's move, with traders growing concerned that the typical seasonal rally into the summer months was not going to materialize. Among a number of USDA report releases today, the Hogs and Pigs report will be released at 2 pm. Average estimates compared to year ago numbers for the major categories are as follows: Market hogs – 101.8%, Breeding herd – 100.3%, Pig Crop – 102.4%.

Canadian delivered soymeal prices opened higher this morning. Soybean prospective plantings are down one percent from last year with 2012 estimates at 73.9 million acres. Soy stored in all positions as of March 1 is 1.37 billion bushels. Stored soy on and off farms have increased 10 percent from a year ago. The disappearance for Dec 2011-Feb 2012 was 998 million bushels; this has decreased by 3 percent from this same quarter a year prior.

Canadian delivered corn prices opened higher this morning. Corn prospective plantings are up four percent from last year with 2012 intentions to plant 95.9 million acres. All stored corn as of March 1 is 6.01 billion bushels, down 8 percent from that time last year. Disappearance for the Dec 2011-Feb 2012 quarter is the similar to last year for the same period at 3.64 billion bushels.

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

US Slaughter	
413,000	– Thursday's
417,000	– Thursday's (year ago)
Western Corn Belt	\$81.41
Daily National Price	\$83.92
Daily Sig3(M.Leaf)	\$147.38
Daily Sig4(M.Leaf)	\$148.95
4-Month Fwd Avg	\$155.89
#1 Export Sows (+500lbs)	\$48.00cwt
B of C Ex. Rate (Noon) \$0.9999CAD / \$1.0001US	
Cash Prices: Week Ending March 30th, 2012	
67.43/148.65	Signature #3
68.17/150.29	Signature #4
66.71/147.06	h@ms Cash
n/a	Hylife
ISO Weans	\$32-46US
Feeder Pigs	\$68-85US

	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		147.93	154.76	154.30	159.93	152.83	148.52	142.09	133.48	135.32
		152.50	158.88	160.71	160.85	162.46	148.98	148.99	138.54	139.46
(Maple Leaf Sig. #4)		145.11	152.43	155.63	157.89	153.68	148.27	140.44	133.89	133.89
		149.99	156.51	158.82	158.78	159.90	152.79	147.93	139.05	139.77
Soymeal Delivered	433	436	438	440	440	442	437			
Corn Delivered	274	270	272							

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