

Friday, April 13, 2012

**Forward contract prices opened lower this morning.** U.S. cash markets are showing little to no strength, with most regions reporting prices under US\$80/cwt. Packer bids are trading near equivalent to the aggregate value of the primal cuts, which does little to cover any of the processing. The latest pork export data was released yesterday, revealing a drop in sales to China larger than was anticipated. Compared to January, sales dropped by 30% in February and are less than half of the peak monthly volume that was seen in November. The reaction by futures traders was definitely bearish, with summer month contracts trading losing close to \$1.00/cwt in trade early this morning. One positive factor to come from the data was that Mexico purchased 28% more pork than in February 2011. Producers considering protection in the summer and fall months should cover a portion of their production at current prices to protect against the impact of further erosion of export sales.

**Canadian delivered soymeal prices opened lower this morning.** Soy demand has remained strong as China has been buying old soy crop. China's Agriculture Ministry indicated that soybean planting has decreased by 11.2% this year as some producers shift to corn. This may increase import demands in the future. Net weekly export sales for soy finished the week strong at 636,400 metric tonnes.

**Canadian delivered corn prices opened lower this morning.** Corn prices remain supported by tight supplies of old crop. The new corn crop, just being planted, is seeing some nearly ideal weather to support early planting. The new U.S. crop will need to be large to replenish stocks. Any type of threat to this crop could push prices higher.

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

US Slaughter	
417,000	– Thursday's
395,000	– Thursday's (year ago)
Western Corn Belt	\$79.19
Daily National Price	\$82.63
Daily Sig3(M.Leaf)	\$144.43
Daily Sig4(M.Leaf)	\$145.94
4-Month Fwd Avg	\$157.93
#1 Export Sows (+500lbs)	\$46.00cwt
<b>B of C Ex. Rate (Noon)</b> \$0.9950CAD / \$1.0050US	
<b>Cash Prices: Week Ending April 13th, 2012</b>	
66.92/147.53	Signature #3
66.79/147.25	Signature #4
65.98/145.46	h@ms Cash
n/a	Hylife
ISO Weans	\$38-42.60US
Feeder Pigs	\$64-74US

	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec
Fixed Forward Range (Maple Leaf Sig. #3)		155.38	154.92	160.95	153.06	151.36	144.44	137.11	138.94
(Maple Leaf Sig. #4)		159.50	161.33	161.86	162.69	151.82	151.31	142.15	143.07
Soymeal Delivered	440	442	446	449	451	154			
Corn Delivered	266	272							

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