

Monday, April 16, 2012

Forward contract prices opened lower this morning. U.S. cash markets are expected to start the week lower after last week's drop in the pork cut-out. Compared to last year, pork values are trading close to 20% lower, while cash bids are down close to 10%. Hog supplies are beginning to tighten, in line with the normal seasonal trend, however cash bids may not appreciate as we would typically see due to the deficit that they run to wholesale pork values. Lean Hog futures dropped their daily limit on Friday, as traders came to the realization that slower exports to China will impede the cash market from matching year ago levels. Futures are starting this week steady to slightly lower, with cash market fundamentals playing the primary role in today's market. The Canadian Dollar is trading just under parity with the U.S. Dollar this morning, little change from last week and the trading range seen over the last 3 months.

Canadian delivered soymeal prices opened lower this morning. Demand from China continues to be strong, supporting prices. Last week 445,000 tonnes of soy were reported by private exporters to be headed for China. Typically this business would be going to Brazil, however their limited crop pushed demand to the U.S. China is anticipating a decrease of 11.2% in soybean acres this year.

Canadian delivered corn prices opened lower this morning. Corn acres planted should be 20-25% completed by this afternoon, a significant increase from last week's 4%. The steady U.S. dollar, and increased corn plantings in China are seen as bearish factors. The wet weather will slow the plantings, but improve planting conditions in some areas.

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

US Slaughter	
1.94 Mill	– Last Week's
1.99 Mill	– Last Week's (year ago)
Western Corn Belt	\$80.07
Daily National Price	\$82.82
Daily Sig3(M.Leaf)	\$146.46
Daily Sig4(M.Leaf)	\$146.70
4-Month Fwd Avg	\$154.44
#1 Export Sows (+500lbs)	\$46.00cwt
B of C Ex. Rate (Noon) \$0.9979CAD / \$1.0021US	
Cash Prices: Week Ending April 13th, 2012	
66.92/147.53	Signature #3
66.79/147.25	Signature #4
65.98/145.46	h@ms Cash
65.07/143.46	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)		151.60	151.14	157.22	149.86	148.57	141.66	134.51	136.35
(Maple Leaf Sig. #4)		155.74	157.57	158.15	159.53	149.03	148.57	139.58	140.50
Soymeal Delivered	441	443	448	449	452	455			
Corn Delivered	266	272							

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