

Friday, April 27, 2012

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

US Slaughter	
411,000	– Thursday's
414,000	– Thursday's (year ago)
Western Corn Belt	\$80.55
Daily National Price	\$83.45
Daily Sig3(M.Leaf)	\$145.30
Daily Sig4(M.Leaf)	\$145.77
4-Month Fwd Avg	\$148.07
#1 Export Sows (+500lbs)	\$44.00cwt
B of C Ex. Rate (Noon) \$0.9841CAD / \$1.0162US	
Cash Prices: Week Ending April 27th, 2012	
66.23/146.00	Signature #3
66.32/146.21	Signature #4
65.34/144.05	h@ms Cash
n/a	Hylife
ISO Weans	\$28-34.50US
Feeder Pigs	\$57-72US

Forward contract prices opened lower this morning. U.S. cash prices are finishing the week lower, with most regions reporting prices lower than the benchmark \$80/cwt. Packers continue to struggle with poor operating margins, forcing many to cut back on their slaughter schedule due to an unwillingness to pay more for live hogs. Hog slaughter this week is expected to be down by about 10,000 hogs compared to last week, which is typical for this time of year. However, prices typically move sharply higher, in response to the tightening supplies. With only 11 more trading days until the May contract expires, the cash market needs to average a gain of \$0.50/cwt every day to meet with values currently being offered. The Canadian dollar is impeding Canadian hog prices from moving higher with the Loonie trading just shy of the US\$1.02 this morning.

Canadian delivered soymeal prices opened mixed this morning. Due to a decline in the South American soybean crop, it is anticipated that U.S. exports may be revised upwards by as much as 25 million bushels. Weekly export sales exceeding expectations with 1.409 million tonnes. Higher crush demand, coupled with the tightening old crop are supporting a bullish outlook.

Canadian delivered corn prices opened higher this morning. As of yesterday cumulative corn sales are at 83.3% of the USDA 2011/12 forecast, compared to the five year average of 80.3%. Weekly export sales were strong for corn at 826,200 metric tonnes. The Ukraine may increase corn production, as producers are looking at switching more acres to corn.

	Apr	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)			144.49 150.80	151.01 151.91	143.42 152.91	142.25 142.70	136.04 142.84	129.09 134.08	130.91 134.99	129.79 135.24	136.60 138.87
(Maple Leaf Sig. #4)			147.07 150.21	150.26 151.13	145.53 151.66	142.65 147.11	135.07 142.45	130.10 135.20	130.10 135.90	130.96 133.42	135.88 137.11
Soymeal Delivered	472	472	476	479	482	485					
Corn Delivered	272	272									

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