

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

US Slaughter	
409,000	– Wednesday's
410,000	– Wednesday's (year ago)
Western Corn Belt	\$77.34
Daily National Price	\$82.70
Daily Sig3(M.Leaf)	\$140.22
Daily Sig4(M.Leaf)	\$145.19
4-Month Fwd Avg	\$146.63
#1 Export Sows (+500lbs)	\$42.00cwt
B of C Ex. Rate (Noon) \$0.9891CAD / \$1.0110US	
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
64.58/142.37	Hylife
ISO Weans \$23-32US	
Feeder Pigs \$52.50-72US	

Thursday, May 03, 2012

Forward contract prices opened higher this morning. U.S. packers are holding back on increasing cash bids despite tightening supplies of live hogs. Typically at this time of year the combination of hog numbers declining and increased demand for grilling cuts causes pork prices to rally 15%-20% of their value from mid-April to mid-June. So far this year cash prices have declined by about 3% since mid-April, causing futures traders to become skeptical of any significant seasonal rally. As a result, June Lean Hog futures have dropped about \$7/cwt over the last three weeks, cutting the premium it holds over the cash market to approximately \$5/cwt. Deferred month contracts still represent good value despite a comparable drop in price over the last several weeks. Recall the months Chinese imports had the most influence in 2011 were Oct - Dec, which are trading only modestly lower than the cash market of that time.

Canadian delivered soymeal prices opened lower this morning. On May 10th the USDA will release the monthly Crop Production and WASDE reports, which will have the first estimates of; crop size, usage and year-end stocks for 2012-2013. Private sales of 204,000 tonnes of U.S. soybeans to unknown destinations were reported by the USDA. China purchased 30,000 U.S. tonnes of soybeans this week.

Canadian delivered corn prices opened lower this morning. An early wheat harvest is anticipated, which may ease some pressure on corn as current wheat cash prices are cheaper than corn and may be used for feed. The U.S. dollar is trading steady but has seen some weakness recently as traders' risk tolerance for other currencies has increased.

	May	June	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Fixed Forward Range (Maple Leaf Sig. #3)		142.06	148.48	141.76	141.45	134.98	128.61	130.43	130.19	137.03
(Maple Leaf Sig. #4)		145.10	148.18	144.31	142.25	134.41	130.00	130.00	131.37	136.32
Soymeal Delivered	482	482	484	487	489					
Corn Delivered	276	276								

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