

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

Forward contract prices opened lower this morning. US cash markets traded moderately higher yesterday, but remain in their long term steady trend as they have been for the last two months. Packers have little reason to chase hogs and increase their cash bids, as there is significant uncertainty in the coming hog supply of the next 2 months. Before the USDA released its survey results, most in the industry were expecting numbers to tighten, reflecting the impact of a faulty semen extender product last summer. However, the USDA's numbers do not capture any measurable decline, which suggests that the seasonal rally that was anticipated and reflected in the June/July Lean Hog futures may not be attainable. Forward contract prices are trading lower this morning, reflecting weaker Lean Hog futures and a sharply higher Canadian Dollar. Despite weaker oil prices, the Canadian Dollar has gained about half a cent against the US Dollar as the US Federal Reserve has hinted at slower than expected increases to its benchmark interest rate.

Canadian delivered soymeal prices opened lower this morning. Grain markets are generally preoccupied with tomorrow's Prospective Plantings report which will be released mid-trade on Thursday. As such, market activity today appears to be a function of pre-report positioning. To be sure, this report is a big one; it provides the market with a first look at acreage estimates for the next season. At right, is a look at the pre report estimates; a comparison to the official results will follow on Friday.

US corn futures opened lower this morning. Like beans, the US corn trade is in pre-report positioning mode, but unlike beans the trade is a bit choppier. As of this writing, we have witnessed early morning strength followed by a push lower and some mixed activity in between. It should be noted that the USDA will also release their Quarterly Grain Stocks report tomorrow; if either of the USDA reports deviate largely from market expectations, the trade could see some volatility.

		Range	Avg.
Soy	Acreage	81.6 - 84.2	83.057
	Stocks (bn. bu.)	1.425 - 1.615	1.556
Corn	Acreage	89.0 - 91.0	88.972
	Stocks (bn. bu.)	7.7 - 7.975	7.801

Source: DLR, USDA

US Slaughter	
435,000	Tuesday
423,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$62.89
National	\$66.26
Iowa/S. MN.	\$63.07
Signature 3	\$151.64
Hylife	\$153.76
Thunder Creek	\$151.73
Sig 3 4-Month Fwd.	\$182.48
BoC Rate (Noon) prev. day \$1.3154 CAD / \$0.7602 USD	
Cash Prices Week Ending March 26, 2016	
Signature 3	148.22/67.23
h@ms Cash	146.72/66.55
Hylife	153.44/69.60
Thunder Creek	151.00/68.49
ISO Weans	\$40.65 US Avg.
Feeder Pigs	\$83.26 US Avg.
#1 Export Sows (Tagged) \$30.00/cwt. (+500lbs.)	

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Maple Leaf Sig. #3			169.62 183.86	185.05 190.98	182.93 191.57	172.92 187.16	157.90 164.43	157.31 158.66	134.20 150.23	135.98 141.92	137.26 145.63
Soymeal Wpg Delivered	405	407	407	410	410	412					
Corn	Local delivered price available on request										

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