

Tuesday, January 11, 2011

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

<b>US Slaughter</b>	
396,000 – Monday's	
421,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$70.59
Western Corn Belt	\$70.45
Daily National Price	\$73.33
Daily Sig3(M.Leaf)	\$128.17
Daily Sig4(M.Leaf)	\$129.18
4-Month Fwd Avg	\$152.08
#1 Export Sows (+500lbs) \$38.65 cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9925CAD / \$1.0076US	
<b>Cash Prices: Week Ending January 7th, 2011</b>	
58.56/129.10 Signature #3	
58.46/128.89 Signature #4	
57.52/126.80 MPMC Cash	
55.62/122.61 Springhill	

*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.*

**Forward contract prices opened steady this morning.** U.S. cash markets are seeing steady trade with packers resisting increasing their bids early in the week, for fear of cutting into their good operating margins. Lean hog futures continue to break into new contract highs, with optimism coming from speculators and hedgers alike. Hedge funds (large speculators) have increased the size of their long position to the largest in about three months, reflecting their bullish outlook. While increasingly commercial traders (packers and producers) believe that higher feed grains and increased exports will lead to even higher cash prices than what current futures represent. The Canadian Dollar is trading for its 8<sup>th</sup> consecutive session where it has not closed lower than the value of the U.S. Dollar.

**Canadian delivered soymeal prices opened higher this morning.** Expectations that federal forecasters will cut projected soybean supplies in tomorrow's Supply and Demand Report has soybean prices moving higher today. The possibility of a smaller Argentinean crop due to continued dryness, amid strong global demand, is also contributing to the bullish movement.

**Canadian delivered corn prices opened higher this morning.** Fresh export sales are the cause behind corn prices increasing today. The USDA confirmed yesterday, that private U.S. exporters had created deals to sell 116,000 tons of corn for unknown destinations, and 125,000 tons of corn to Mexico. As well, traders are expecting the USDA to cut ending supplies to 778 million bushels in tomorrow's Report.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		141.47 142.38	142.02 145.66	146.50 156.55	161.42 164.61	162.33 168.27	165.56 167.39	152.54 165.38	148.88 149.79	145.77 148.98
(Maple Leaf Sig. #4)		138.76 139.99	141.75 143.69	144.08 151.15	155.52 158.70	159.58 162.24	159.97 161.57	154.11 159.61	147.01 148.96	145.16 146.04
Soymeal Delivered	416	420	423	430	430	433	433	441	443	428
Corn Delivered	240	240	242	244	246	248				



**Rothsay Animal Vegetable Feed Fat**

**\$768/tonne ↑ (2 – 19 mt)**

To place your order call 1-866-768-4729

\*Price quoted is FOB Southeast Manitoba

