

Friday, January 21, 2011

Hog Prices: ↑ **Soymeal:** ↑

Corn: ↔ **Cdn Dollar:** ↑

| US Slaughter | |
|--|----------|
| 419,000 – Thursday's | |
| 405,000 – Thursday's (year ago) | |
| US Iowa/Sthrn MN | \$75.02 |
| Western Corn Belt | \$74.98 |
| Daily National Price | \$76.21 |
| Daily Sig3(M.Leaf) | \$137.45 |
| Daily Sig4(M.Leaf) | \$135.29 |
| 4-Month Fwd Avg | \$158.32 |
| #1 Export Sows (+500lbs) \$38.25 cwt | |
| B of C Ex. Rate (Noon) \$1.0001CAD / \$.9999US | |
| Cash Prices: Week Ending January 21st, 2011 | |
| 60.97/134.42 Signature #3 | |
| 60.26/132.85 Signature #4 | |
| 59.78/131.78 MPMC Cash | |
| 57.91/127.66 Springhill | |

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Forward contract prices opened higher this morning. U.S. packers were confident in their ability to turn a profit on hogs purchased this week, which led to the higher trend over the week. Operating margins are pegged at close to \$20/hog, where they have hovered since the start of January. Lean hog futures continue trending higher over the long term with recent trade consolidating the gains seen in the last two weeks. The prospect for improved export sales, specifically coming from South Korea's cull of animals due to Foot and Mouth Disease, has contributed to the bullish trend. The Canadian Dollar saw some weakness against its U.S. counterpart yesterday as the combination of better than expected job and housing data strengthened the U.S. Dollar, while crude oil weakened the loonie.

Canadian delivered soymeal prices opened higher this morning. Soybean prices moved higher today, despite increased expectations for a better harvest in Argentina, as a result of recent moisture relief. Also contributing to the upside movement is continuing strong export demand. Weekly export sales for the U.S. totaled 915,400 tons, well above analyst projections of 400,000 – 750,000 tons.

Canadian delivered corn prices opened steady this morning. The corn market is trading steady today as traders await new acreage projections from the private analytical firm Informa Economics. They cut their forecast in December from 93.1 million acres to 90.8 million, and market participants are expecting another decrease. The USDA estimates that farmers in 2010 planted corn on 88.2 million acres.

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct |
|---|-----|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Fixed Forward Range (Maple Leaf Sig. #3) | | 143.54 | 146.50 | 151.02 | 166.91 | 167.82 | 171.24 | 158.46 | 154.78 | 151.03 |
| | | 143.54 | 150.15 | 161.07 | 170.11 | 173.76 | 173.08 | 171.61 | 155.70 | 154.24 |
| (Maple Leaf Sig. #4) | | 141.11 | 146.10 | 148.46 | 160.83 | 164.90 | 165.47 | 159.86 | 152.73 | 150.25 |
| | | 141.11 | 148.04 | 155.53 | 164.02 | 167.55 | 167.07 | 165.65 | 154.69 | 151.13 |
| Soymeal Delivered | 425 | 427 | 430 | 446 | 446 | 452 | 452 | 460 | 463 | 446 |
| Corn Delivered | 260 | 260 | 262 | 264 | 266 | 268 | | | | |



Rothsay Animal Vegetable Feed Fat

\$813/tonne ↑ (2 – 19 mt)

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

*Price quoted is FOB Southeast Manitoba

