

Monday, January 24, 2011

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

US Slaughter	
2.166 Mill. – Last Week's	
2.177 Mill. – Last Week's (year ago)	
US Iowa/Sthrn MN	\$74.59
Western Corn Belt	\$73.97
Daily National Price	\$76.57
Daily Sig3(M.Leaf)	\$134.84
Daily Sig4(M.Leaf)	\$135.16
4-Month Fwd Avg	\$158.82
#1 Export Sows (+500lbs)	\$38.25 cwt
B of C Ex. Rate (Noon)	\$0.9945CAD / \$1.0055US
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 lower this morning. U.S. cash markets are expected to trade firmer this week as wholesale pork prices continue to rise, while hog supplies are on a trend to tighter supplies. Lean hog futures are dealing with numerous fundamental factors this morning, most of which have a bullish influence on the market overall. Friday's release of the Cold Storage Report showed that stocks of pork on December 31 were up about 1% compared to 2009, despite hog numbers and carcass weights exceeding year ago levels. Also on Friday, the U.S. Environmental Protection Agency approved a 50% increase in the blending rate of ethanol in gasoline for cars no older than 2001. This will trigger added demand for ethanol and corn, which will have a long term positive impact on hog prices as producers will avoid expanding the hog supply due to poor profitability.

Canadian delivered soymeal prices opened higher this morning. A deal made on Friday afternoon for China to purchase an additional 8.45 million metric tons of U.S. soybeans is providing support for the soybean complex. The sale brought China's two day buying total to 11.52 million. Upside movement may be limited as traders have increased yield expectations in Argentina due to increased moisture.

Canadian delivered corn prices opened steady this morning. The corn market is trading steady to higher today in an attempt to convince farmers to plant more corn acres in 2011, to replenish low ending supplies from 2010. Currently, corn is competing for acres with soybeans, which are also trading at 30-month highs. Scattered thundershowers in Argentina are expected to ease the stress on developing corn.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)			144.48	148.93	166.50	167.42	170.06	157.81	154.14	151.35
			148.13	159.00	169.71	173.37	171.90	170.98	155.06	154.57
(Maple Leaf Sig. #4)			144.15	146.43	160.44	164.52	164.33	159.21	152.11	150.57
			146.10	153.52	163.63	167.17	165.93	165.04	154.06	151.46
Soymeal Delivered	416	418	421	441	444	449	449	457	459	445
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

