

Thursday, January 27, 2011

Hog Prices: ↔ **Soymeal:** ↓

Corn: ↑ **Cdn Dollar:** ↔

US Slaughter	
423,000 – Wednesday's	
428,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$77.04
Western Corn Belt	\$76.82
Daily National Price	\$77.55
Daily Sig3(M.Leaf)	\$140.15
Daily Sig4(M.Leaf)	\$137.00
4-Month Fwd Avg	\$163.49
#1 Export Sows (+500lbs) \$38.25 cwt	
B of C Ex. Rate (Noon) \$0.9953CAD / \$1.0047US	
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 steady this morning. The U.S. cash market is trading flat to higher this morning as hog supply continues to run close to USDA estimates, and given the excellent margins, the incentive is still there for packers to increase their cash bids. Expectations of strong export sales in the coming months are the driving force behind the bullish movement of lean hog futures. South Korea is anticipated to increase their imports by 30%, as the country has already culled 24% of their herd due to Foot and Mouth Disease. Yesterday's trade saw the April contract closing up the 300 point limit, and the August contract closing at 97.45, the highest ever for August. The Canadian Dollar remains steady, trading at just over par.

Canadian delivered soymeal prices opened lower this morning. Improved crop prospects for South America along with slower demand from China, heading into their Lunar New Year, have the soybean complex trading lower today. As well, the market lacks any new supportive news to spark aggressive buying. However, downside movement is still expected to be limited due to limited supplies.

Canadian delivered corn prices opened higher this morning. Ongoing concerns regarding low supplies continue to support corn prices. The projected 15 year low ending stocks have traders worried that farmers will not plant enough corn in 2011 to alleviate demand. U.S. ethanol production increased again last week reaching 922,000 barrels, up from 913,000 barrels the previous week.

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)			151.16	155.56	169.11	170.03	172.28	159.25	154.66	151.81
			153.90	166.52	172.31	175.05	173.20	173.34	155.58	155.03
(Maple Leaf Sig. #4)			149.56	151.96	162.35	166.24	166.47	159.28	151.99	150.40
			150.79	159.57	165.53	169.07	167.45	166.88	154.12	151.29
Soymeal Delivered	407	409	412	432	435	441	441	461	463	445
Corn Delivered	258	258	260	262	264	266				

****REMINDER****

Friday January 28th is the deadline for registering for the Low Stress Pig Handling Workshop hosted by MAFRI featuring **Nancy Lidster of DNL Farms.**

The workshop is **Friday February 4th** in Steinbach.

For more information contact Robyn Harte at 204-945-5402 or robyn.harte@gov.mb.ca