

Tuesday, February 01, 2011

Hog Prices: ↓ Soymeal: ↑

Corn: ↑ Cdn Dollar: ↑

US Slaughter	
383,000 – Monday's	
413,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$80.63
Western Corn Belt	\$80.32
Daily National Price	\$79.58
Daily Sig3(M.Leaf)	\$147.55
Daily Sig4(M.Leaf)	\$141.57
4-Month Fwd Avg	\$167.28
#1 Export Sows (+500lbs) \$38.50 cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0022CAD / \$.9978US	
<b>Cash Prices: Week Ending January 28th, 2011</b>	
62.57/137.94 Signature #3	
61.88/136.42 Signature #4	
61.49/135.56 MPMC Cash	
59.59/131.37 Springhill	

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**Forward contract prices opened lower this morning.** U.S. cash prices are trading steady to slightly higher this morning, with packers meeting their relatively modest slaughter requirements without being forced to compete for hogs. U.S. cash prices are trading close to 20% higher than year ago levels, but the stronger Canadian Dollar has limited that gain to about 17% higher for Canadian producers. Speculation over possible pork exports continues to be the primary fundamental factor that has the spring and summer futures contracts continuing their rally. The June lean hog contract settled yesterday's session at U.S.\$100.95 per cwt, the highest price traded in 24 years. Funds have added to the rally as technical indicators generally reflect a further bullish trend.

**Canadian delivered soymeal prices opened higher this morning.** Consistent export demand along with a weaker U.S. Dollar is moving soybean prices higher today. However, upside movement may be limited, as recent rains have had a positive effect on soybean development. If favorable growing conditions continue, Brazil is expected to have record yields.

**Canadian delivered corn prices opened higher this morning.** The corn market is trading higher today as cold weather forecasts in the U.S. are expected to increase the use of grain for livestock feed to help the animals maintain their weight. As well, port protests in Argentina could slow exports for the country. Until wage demands are met, unions are expected to continue with their strike.

	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)		154.45	158.86	170.88	171.79	174.01	158.41	153.79	147.66	139.05
		157.19	169.82	174.08	176.82	174.93	173.32	154.72	153.65	144.12
(Maple Leaf Sig. #4)		152.74	155.16	164.06	167.95	168.14	158.49	151.16	145.49	138.85
		153.98	162.77	167.25	170.78	169.13	166.86	153.31	149.96	141.35
Soymeal Delivered	419	421	445	449	451	451	471	474	447	438
Corn Delivered	260	262	264	266	268					

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