

Friday, January 06, 2012

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

US Slaughter	
428,000 – Thursday's	
417,000 – Thursday's (year ago)	
Western Corn Belt	\$81.37
Daily National Price	\$82.57
Daily Sig3(M.Leaf)	\$152.09
Daily Sig4(M.Leaf)	\$149.45
4-Month Fwd Avg	\$157.22
#1 Export Sows (+500lbs)	\$44.50cwt
B of C Ex. Rate (Noon)	
\$1.0197CAD / \$.9807US	
Cash Prices: Week Ending January 6th, 2012	
67.83/149.53	Signature #3
67.08/147.89	Signature #4
66.23/146.00	h@ms Cash
n/a	Hylife
ISO Weans	\$49-66US
Feeder Pigs	\$59-75US

Forward contract prices opened higher this morning. US cash markets are completing this week with steady to slightly lower bids after packers increased their cash bids for each of the last three days. However, the pork cut-out has not been a positive influence in the cash market as it has dropped by about \$1.50/cwt over the week. As a result, packer margins have been cut in half in the first week of 2012, estimated at near break-even levels. Lean Hog futures took note of the weaker cut-out, triggering a sell-off in yesterday's trade that resulted in the February and June contracts losing about 1.5% of their value. However, summer month forward contract prices are down only about 6% from the highest prices that they have traded. The Canadian Dollar is trading near the middle of its range and is expected to be influenced from the employment data released from both the US and Canada this morning.

Canadian delivered soymeal prices opened higher this morning. Soybean prices are finding continued support from dry weather in Argentina. Weekly export sales are lower than expectations of 400,000 to 600,000, coming in at 281,300 metric tonnes. USDA is set to release its ; Annual Crop Production, Quarterly Grain Stocks, and Supply and Demand reports on Thursday.

Canadian delivered corn prices opened higher this morning. Corn prices are rising due to the worries and dry weather in South America. Officials in Brazil suggest corn production would be ~6.4 million tonnes, down 1 million from the December forecast, due to the dry weather. Ethanol production is up 0.1% from last week, averaging 963,000 barrels per day. Corn used in the ethanol production from last week was 102.58 million bushels.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward Range (Maple Leaf Sig. #3)		150.48	152.04	154.67	167.77	166.35	170.96	158.81	155.05	152.87
(Maple Leaf Sig. #4)		152.83	153.45	163.62	171.06	172.95	171.90	172.28	155.05	155.22
Soymeal Delivered	362	362	362	374	374	382	382	388		
Corn Delivered	270	273	277							

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