

Tuesday, January 10, 2012

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

<b>US Slaughter</b>	
429,000 – Monday's	
389,000 – Monday's (year ago)	
Western Corn Belt	\$82.80
Daily National Price	\$83.01
Daily Sig3(M.Leaf)	\$155.90
Daily Sig4(M.Leaf)	\$151.34
4-Month Fwd Avg	\$155.07
#1 Export Sows (+500lbs) \$47.25cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0272CAD / \$0.9735US	
<b>Cash Prices: Week Ending January 6th, 2012</b>	
67.83/149.53	Signature #3
67.08/147.89	Signature #4
66.23/146.00	h@ms Cash
65.67/144.77	Hylife
ISO Weans	\$46-68US
Feeder Pigs	\$62-75US

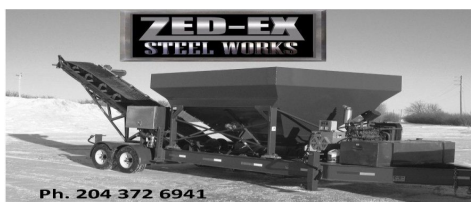
**Forward contract prices opened higher this morning.** US cash markets are trading steady higher, in contrast with pork product markets which have come under pressure over the last week. Packer operating margins have dropped significantly over the last two weeks, due to the stagnant pork cut-out values. Most US packers are dealing with negative margins, but are optimistic that prices will rebound in the weeks ahead. Lean Hog futures are slightly higher this morning, with traders growing comfortable with the current prices showing a modest bullish trend of \$10/cwt over the next six months. When looking at forward contract prices, the current premium of \$23/kg that the June forward contracts hold over the cash market compares favorably to the historical price trend, normally near a \$25/kg increase.

**Canadian delivered soybean prices opened lower this morning.** Total soybean imports for 2011 finished at 52.64 million tonnes, down 3.9% for the year, reflecting the soy reserves saved for the domestic market. 2011 edible oil imports were also down from last year, 4.4%, totalling 6.57 million tonnes. The weekly export inspections report showed 31.96 million bushels of soy, which is in the range of estimated exports.

**Canadian delivered corn prices opened mixed this morning.** Rains in Argentina are forecast to start today and carry on for a few days. Corn may come under bearish pressure due to a lack of another rain event in the forecast for Brazil and Argentina. Weekly export inspections noted 33.89 million bushels of corn were within trade expectations. 2011 corn ending stocks are suspected of coming in 3.6 million tonnes lower at 123.5 in Thursday's WASDE report.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward		148.84	149.74	153.08	168.05	166.64	172.69	163.97	158.63	155.84
Range (Maple Leaf Sig. #3)		151.17	152.07	161.97	171.32	173.19	173.63	174.82	162.40	158.19
(Maple Leaf Sig. #4)		148.56	149.80	151.86	164.72	168.26	170.88	165.54	158.82	155.91
		149.29	152.15	158.75	168.98	170.61	171.79	171.75	164.67	157.91
Soymeal Delivered	368	368	368	378	378	386	386	394		
Corn Delivered	270	272	276							

*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.*



**Specializing in Concrete Building Systems**  
Barns, Shops, Schools, Churches, And MORE!  
**BIG OR SMALL WE BUILD THEM ALL!**  
Call Paul for a Free Estimate- (204) 280-0887

