

Wednesday, January 18, 2012

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

US Slaughter	
426,000 – Tuesday's	
418,000 – Tuesday's (year ago)	
Western Corn Belt	\$83.21
Daily National Price	\$85.02
Daily Sig3(M.Leaf)	\$154.54
Daily Sig4(M.Leaf)	\$152.90
4-Month Fwd Avg	\$160.15
#1 Export Sows (+500lbs) \$47.05cwt	
B of C Ex. Rate (Noon) \$1.0132CAD / \$0.9870US	
Cash Prices: Week Ending January 13th, 2012	
70.33/155.06	Signature #3
68.70/151.46	Signature #4
68.49/151.00	h@ms Cash
67.69/149.24	Hylife
ISO Weans	\$47-68US
Feeder Pigs	\$59-75US

Forward contract prices opened mixed this morning. U.S. packers continue to operate their plants and compete for hogs knowing that wholesale pork prices are not at a level that will return a profit on these operations. From time to time, packers will run amid negative margins on a temporary basis particularly if they are optimistic about the long term prospects, in an effort to maintain market share. Lean Hog futures have been buoyed by the stronger than expected cash market, combined with the most recent export sales data that showed November increased by 23% over the same month in 2010. Exports to China and Japan explained most of the growth, contributing to a possible record setting year. The Canadian Dollar is trading within 75 basis points of its 2 month high, with bullish influence coming from stronger commodity prices and a growing optimism that North America will not fall back into a recession.

Canadian delivered soymeal prices opened lower this morning. The weekly soybean export inspections were higher than anticipated at 40.9 million bushels. Crush reports also indicated a monthly increase of 4 million to 145.4 million bushel, according to the monthly NOPA crush report. Longer looking weather forecasts could see South America's weather patterns becoming normal.

Canadian delivered corn prices opened lower this morning. Weekly corn export inspections were slightly under the USDA weekly projections of 31.2 million, at 30.05 million bushels. Argentina expects rain into the weekend, suggesting only some smaller areas of stressed crop conditions.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward		152.16	149.92	153.51	169.56	168.16	172.44	163.71	157.54	150.95
Range (Maple Leaf Sig. #3)		152.16	152.25	162.37	172.82	174.69	173.38	173.53	158.94	157.98
(Maple Leaf Sig. #4)		152.12	150.50	152.09	165.91	169.16	170.07	164.51	157.63	149.62
		152.12	152.30	159.50	170.07	172.41	170.97	170.67	161.97	156.88
Soymeal Delivered	352	352	352	363	363	371	371	378		
Corn Delivered	256	257	264							

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.



Rothsay Animal Vegetable Feed Fat
\$835 tonne ↓ (2 – 19 mt)

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