

Friday, January 20, 2012

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

US Slaughter	
424,000 – Thursday's	
422,000 – Thursday's (year ago)	
Western Corn Belt	\$84.24
Daily National Price	\$85.34
Daily Sig3(M.Leaf)	\$155.88
Daily Sig4(M.Leaf)	\$152.92
4-Month Fwd Avg	\$160.19
#1 Export Sows (+500lbs)	\$47.05cwt
B of C Ex. Rate (Noon)	
\$1.0095CAD / \$.9906US	
Cash Prices: Week Ending January 20th, 2012	
70.42/155.25	Signature #3
69.40/153.01	Signature #4
68.72/151.50	h@ms Cash
n/a	Hylife
ISO Weans	\$47-68US
Feeder Pigs	\$59-75US

Forward contract prices opened mixed this morning. U.S. cash markets are finishing the week lower as ample supplies combined with heavy carcass weights have packers content with current production levels. Packers are looking for methods to effect change in their operating margins as they have been unprofitable for close to two weeks. Lean Hog futures found some support this week, with market analysts citing hedge fund buying as part of the rationale for the move. Commodity markets are seeing bullish indications, drawing investment from other asset classes as the economy remains sluggish and interest rates at record lows. The Canadian dollar dropped down from two month highs put in yesterday after the market reacted to news that inflation in Canada was lower than anticipated, an indication of a slower economy. Forward contract prices reflect fair value for the summer months, but prices remain depressed for the spring and fall of 2012.

Canadian delivered soymeal prices opened mixed this morning. China's crush margins are improving, which led China's Ministry of Commerce to increase the January soybean estimate up 0.72 million tonnes to 5.29 million tonnes. Meal prices have stayed lofty. A large sale of 120,000 tonnes was confirmed to China.

Canadian delivered corn prices opened mixed this morning. Ethanol crush margins are staying strong despite what people would have expected with the loss of the subsidy. U.S. corn sales both domestic and export are strong; South Korea purchased 440,000 tonnes, Mexico purchased 154,700 tonnes, both support higher corn prices.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward		151.14	149.74	153.28	170.01	168.61	173.01	163.62	158.20	151.42
Range (Maple Leaf Sig. #3)		151.14	152.07	162.13	173.27	175.13	173.95	173.43	159.60	158.44
(Maple Leaf Sig. #4)		151.13	150.32	151.86	166.34	169.95	170.62	164.41	158.26	150.08
		151.13	152.12	159.25	170.49	172.84	171.52	170.56	162.60	157.32
Soymeal Delivered	361	358	361	368	368	373	373	379		
Corn Delivered	256	257	264							

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