

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

US Slaughter	
2.22 Mill – Last Week's	
2.17 Mill – Last Week's (year ago)	
Western Corn Belt	\$84.05
Daily National Price	\$85.57
Daily Sig3(M.Leaf)	\$156.27
Daily Sig4(M.Leaf)	\$154.05
4-Month Fwd Avg	\$160.78
#1 Export Sows (+500lbs) \$47.05cwt	
B of C Ex. Rate (Noon) \$1.0143CAD / \$0.9859US	
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
68.14/150.23	Hylife
ISO Weans	\$47-68US
Feeder Pigs	\$59-75US

Monday, January 23, 2012

Forward contract prices opened mixed this morning. U.S. cash markets are expected to come under some pressure this week as packer operating margins have been poor for 3 weeks and may force some to take action by cutting production. However, hog supplies remain larger than expected with last week's slaughter estimated at 2.221 million hogs, approximately 2.5% larger than year ago levels. Lean Hog futures have seen some support in the last few weeks, but traders are split on the near term direction with cash market fundamentals and technical indicators at odds with each other. Friday's Cold storage report revealed no surprises, but the report confirmed that pork belly supplies remain abundant at 19% larger than year ago levels. The Canadian Dollar is trading slightly higher this morning but remains within its 2 cent trading range of the last month.

Canadian delivered soymeal prices opened higher this morning. Cumulative soybean sales are slightly under the five year average of 78%, currently at 73.6% of the USDA forecast. Weekly sales came in very high for the week at 991,100 metric tonnes, where China was a large contributing purchaser.

Canadian delivered corn prices opened higher this morning. Ethanol production demands along with, weaker than expected rains in Brazil are supporting U.S. corn prices. Export sales were 759,900 metric tonnes last week, higher than expected. Cumulative corn sales are higher than the five year average of 56.1%, sitting at 61.4%.

	Jan	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct
Fixed Forward		151.45	150.35	153.86	170.76	169.37	173.58	164.03	157.55	152.06
Range (Maple Leaf Sig. #3)		151.45	152.66	162.65	174.00	175.85	174.50	173.76	158.94	159.07
(Maple Leaf Sig. #4)		151.41	150.87	152.40	167.06	170.29	171.14	164.77	157.68	150.69
		151.41	152.66	159.75	171.18	173.51	172.04	170.87	161.90	157.94
Soymeal Delivered	365	363	365	372	372	378	378	383		
Corn Delivered	256	257	264							

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