

Tuesday, February 07, 2012

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

US Slaughter	
419,000 – Monday's	
414,000 – Monday's (year ago)	
Western Corn Belt	\$85.43
Daily National Price	\$87.77
Daily Sig3(M.Leaf)	\$155.87
Daily Sig4(M.Leaf)	\$155.07
4-Month Fwd Avg	\$160.81
#1 Export Sows (+500lbs) \$47.00cwt	
B of C Ex. Rate (Noon) \$0.9954CAD / \$1.0046US	
Cash Prices: Week Ending February 3rd, 2012	
71.81/158.31	Signature #3
70.66/155.78	Signature #4
70.62/155.68	h@ms Cash
69.57/153.38	Hylife
ISO Weans \$50-69US	
Feeder Pigs \$64.50-74.50US	

Forward contract prices opened lower this morning. U.S. packers started the week by lowering their bids in an effort to address the month long run of unprofitable operating margins. Most regions saw declines of about \$0.50/cwt, reflecting pressure from the less efficient packers to cut-back on supply. Interestingly, the Iowa/Southern Minnesota region is reporting prices 9% higher than year ago levels, while the pork cut-out is trading 5% lower. Pork markets have held up as well as was anticipated for this time of year, and with the projected decline in supply over the next two months, should result in a modest, bullish trend. However, Lean Hog futures could see a steady erosion in value should unprofitable packer margins persist for several more weeks. The Canadian dollar is seeing some pressure this morning after yesterday's highs matched levels not seen since October.

2012 Annual District Meetings

Saskatchewan	Date	Time	Location
Swift Current	Tue, Feb 28	Noon	Wong's Kitchen; 320 S Service Road East, Swift Current
Saskatoon	Wed, Feb 29	Noon	Sandman Hotel; 310 Circle Drive West, Saskatoon

See Website for full District Meeting Schedule

Canadian delivered soymeal prices opened lower this morning. Soybean exports came in at the high end of expectations from the weekly export inspections report at 37.2 million bushels, 20.1 million bushels above USDA's projected minimum. The cumulative shipments are lower than the five year average of 62.1%, at 59.4%.

Canadian delivered corn prices opened lower this morning. The outlook for ethanol production is looking lower, as average profit margins have been negative for the last few weeks. Weekly corn exports were higher than expected at 39.4 million bushels.

	Feb	Mar	Apr	May	June	July	Aug	Sep	Oct	Nov
Fixed Forward Range (Maple Leaf Sig. #3)		148.61 150.90	152.07 162.14	168.82 172.94	168.37 174.78	174.28 175.20	165.36 175.01	160.06 160.52	153.32 160.22	142.69 147.76
(Maple Leaf Sig. #4)		148.96 151.08	150.27 158.79	165.52 169.60	168.72 171.91	171.26 172.15	165.47 171.53	159.45 163.63	151.32 158.45	142.81 147.98
Soymeal Delivered	363	365	373	373	380	380	387			
Corn Delivered	261	263	268	268						

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
\$810 tonne ↓ (2 – 19 mt)

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