

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

Forward contract prices opened mostly higher this morning.

US cash markets are finishing the week with firm bids, as packers fill out their weekend production schedules and bring the week's total slaughter to over 2.32 million hogs. While product values experienced a setback yesterday, they were still higher for the week, a requirement for the cash bids to continue their strengthening trend. The USDA released the last retail meat price report for 2015 which showed that all 3 major meats moved lower in price compared to 2014. In the short term the lower prices should increase consumption, which will help clear the market of its heavy supplies amid slow exports. Spring and summer Lean Hog futures are maintaining their premium over the cash market, which is currently estimated at over double the average premium typically seen at this time of year. To put this into context, cash prices would need to increase an average of \$1.00/cwt per week for the next 12 weeks in order to meet current future's prices. **Producers should consider covering up to half of their intended production for the whole year, in order to secure profitable operation.**

Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading higher. Traders are citing the influence of outside market activity for the support this morning, primarily from the energy markets where oil prices showed some support yesterday. Mixed messages are coming out of Brazil where reported yields are varying amid some heavy rain in areas which could also slow the ongoing harvest. Interestingly, a recent ag publication suggested US planted area could fall by 500,000 acres following a survey of 1,500 producers, standing in contrast to earlier reports expecting an increase between 1.5 and 2.5 million acres, and adding some uncertainty to US production for 2016.

US corn futures opened higher this morning. Like soybeans, support from energy markets has helped to prop corn in the short term. An almost 2% decline in ethanol production is being pinned on poor margins and a high ECB basis as of late. However, ethanol production remains higher year over year and stocks are building; 2.8% over last week and 7.62% over year ago. Corn use in ethanol is estimated to take up more than 1/3 of the US crop. For a change, there is a bit of optimism for export numbers that are expected to come in between 600,000 and 900,000 MT in this week's report. US corn sales to China are up 82% compared to 2015.

US Slaughter	
441,000	Thursday
434,000	Thursday (year ago)
Daily Prices	
W. Corn Belt	\$55.99
National	\$59.44
Iowa/S. MN.	\$56.28
Signature 3	\$146.18
Hylife	\$152.63
Thunder Creek	\$146.60
Sig 3 4-Month Fwd.	\$171.78
BoC Rate (Noon) prev. day \$1.4243 CAD / \$0.7021 USD	
Cash Prices Week Ending January 23, 2016	
Signature 3	144.72/65.64
h@ms Cash	143.22/64.96
Hylife	n/a
Thunder Creek	138.40/62.78
ISO Weans	\$59.42 US Avg.
Feeder Pigs	\$68.57 US Avg.
#1 Export Sows (Tagged) \$34.50/cwt (+500lbs.)	

Fixed Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #3		153.73 153.73	152.96 160.73	162.67 170.37	173.81 191.94	193.23 199.71	191.04 200.35	179.89 195.45	165.97 172.46	164.08 165.37	142.05 159.48	143.98 150.44
Soymeal Wpg Delivered	443	443	443	446	446	449						
Corn	Local delivered price available on request											

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