

Thursday, July 28, 2011

**Hog Prices:** ↓ ↑ **Soymeal:** ↓ ↓

**Corn:** ↔ **Cdn Dollar:** ↑

<b>US Slaughter</b>	
406,000 – Wednesday's	
401,000 – Wednesday's (year ago)	
US Iowa/Sthrn MN	\$100.31
Western Corn Belt	\$99.97
Daily National Price	\$98.84
Daily Sig3(M.Leaf)	\$173.61
Daily Sig4(M.Leaf)	\$166.21
4-Month Fwd Avg	\$145.97
#1 Export Sows (+500lbs) \$45.00cwt	
<b>B of C Ex. Rate (Noon)</b> \$0.9474 CAD / \$1.0555US	
<b>Cash Prices: Week Ending July 22nd, 2011</b>	
74.03/163.21 Signature #3	
72.75/160.39 Signature #4	
72.80/160.50 H@ms Cash	
72.00/158.73 Hylife	

*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*

## **Forward contract prices opened mixed this morning.**

U.S. packers have increased their bids for live hogs again this week with most of the cash market regions reporting prices better than \$100/cwt dressed. Producers are current with their marketings, forcing packers to compete for limited supplies that are not already committed. The heat wave that large sections of the Midwest experienced for much of July has impacted pork production directly, with the Iowa/Southern Minnesota average carcass weights down about 5 pounds compared to last year. Earlier this year, carcass weights were averaging close 6 pounds heavier than in 2010, resulting in a 4% variance from the normal seasonal trend. Lean Hog futures are trading higher this morning, with influence from the stronger cash market fundamentals. The Canadian Dollar is maintaining its value at close to U.S.\$1.0550 as crude oil prices appreciate and uncertainty over the US debt ceiling remains, weakening the U.S. Dollar.

## **Canadian delivered soymeal prices opened mixed this morning.**

Traders of the soybean complex are increasingly focusing on the forecast for early August, as this tends to be the most critical period that determines yield in the U.S. soybean crop. The current 14 day forecast predicts above average precipitation, which if realized could improve the yield prospects of this year's crop. Uncertainty in financial markets related to U.S. debt ceiling continues to impact commodity markets, mostly with increased volatility with a bullish bias.

## **Canadian delivered corn prices opened steady this morning.**

Less than ideal weather for the corn belt as some areas are receiving an abundance of rain, and other areas, in particular the more central and southern regions remain dry. U.S. corn export sales are falling, this will give a bearish outlook to the USDAs forecast of 1,875 mil bu.

	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		158.99	155.51 157.68	150.07 157.04	142.45 148.19	143.40 147.76	144.24 151.23	150.80 153.85	150.06 152.25	151.56 160.77
(Maple Leaf Sig. #4)		161.45	154.88 156.40	149.37 153.59	140.81 145.86	143.50 145.36	143.40 147.04	148.90 151.07	147.77 150.82	149.57 156.96
Soymeal Delivered	387	387	393	393	395	395	400			
Corn Delivered	284	284	284							



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