

Tuesday, August 02, 2011

Forward contract prices opened higher this morning. U.S. packers were operating yesterday, and bidding up the cash market in all of the USDA's reporting regions. Last week, packers slaughtered just under 2 million hogs, roughly 2% more than in the same week last year. However, hog weights are down significantly after the heat wave experienced in July resulted in average carcass weights for the Iowa/S. Minnesota region dropping about 5lbs, the lowest in more than 2 years. Lean Hog futures continued higher yesterday as traders remain optimistic, based on export sales. The House of Representatives voted to increase the debt ceiling yesterday, while the Senate is expected to approve the increase later today, eliminating the risk that the U.S. would default on its debt. This news had the impact of pushing the Canadian Dollar lower, with traders shifting their focus to other fundamental factors.

Canadian delivered soymeal prices opened higher this morning. Due to the agreed raise in the U.S. debt ceiling; soybean futures are looking bullish. The current controlling factor for soybeans will be the weather as the crop approaches a development stage critical to yield. 60% of the crop was rated good/excellent as of Sunday, compared to 62% last week, from the Weekly Crop Progress Report.

Canadian delivered corn prices opened lower this morning.

Corn's long term trend appears bearish. However, the recent dry weather is impacting yield potential as most of the corn crop is starting the filling stage of development. Current weather conditions appear more favorable for corn in the western Midwest.

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

US Slaughter	
352,000 – Monday's	
348,000 – Monday's (year ago)	
US Iowa/Sthrn MN	\$101.15
Western Corn Belt	\$101.32
Daily National Price	\$100.78
Daily Sig3(M.Leaf)	\$177.14
Daily Sig4(M.Leaf)	\$170.61
4-Month Fwd Avg	\$153.39
#1 Export Sows (+500lbs)	\$45.00cwt
B of C Ex. Rate (Noon)	
\$0.9538 CAD / \$1.0484US	
Cash Prices: Week Ending July 29th, 2011	
77.98/171.92 Signature #3	
74.91/165.15 Signature #4	
76.31/168.23 H@ms Cash	
74.44/164.10 Hylife	

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	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	
Fixed Forward Range (Maple Leaf Sig. #3)		160.68 162.88	155.21 162.25	146.73 152.54	147.70 152.10	146.98 154.04	153.60 156.69	153.12 155.33	153.03 162.24	
(Maple Leaf Sig. #4)		160.28 161.81	154.73 158.99	145.84 150.86	148.39 150.44	146.61 150.37	152.42 154.26	151.19 154.26	151.42 158.72	
Soymeal Delivered	387	393	393	395	395	400				
Corn Delivered	284	284								



Rothsay Animal Vegetable Feed Fat

\$1,020/tonne ↑ (2 – 19 mt)

To place your order call 1-866-768-4729

*Price quoted is FOB Southeast Manitoba

