

Monday, August 08, 2011

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

| | |
|--|-------------|
| US Slaughter | |
| 1.958 Mill.—Last Week's | |
| 1.968 Mill.—Last Week's (year ago) | |
| US Iowa/Sthrn MN | \$105.98 |
| Western Corn Belt | \$105.48 |
| Daily National Price | \$105.25 |
| Daily Sig3(M.Leaf) | \$190.31 |
| Daily Sig4(M.Leaf) | \$183.88 |
| 4-Month Fwd Avg | \$153.27 |
| #1 Export Sows (+500lbs) | \$48.50 cwt |
| B of C Ex. Rate (Noon) | |
| \$0.9843 CAD / \$1.0159 US | |
| Cash Prices: Week Ending August 5th, 2011 | |
| 82.95/182.87 Signature #3 | |
| 79.47/175.19 Signature #4 | |
| 81.17/178.95 H@ms Cash | |
| 79.70/175.71 Hylife | |

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Forward contract prices opened lower this morning. U.S. cash markets finished last week slightly lower but fundamentals remain strong with a climbing pork cut-out and hog slaughter still down under 2 million hogs. Export demand continues to be a factor that is driving hog prices higher, as trade talk has China buying 50,000 carcasses over the next several weeks, while packers are finding live supplies scarce. October Lean Hog futures are down about \$2.00/cwt from the record high levels hit last week, as traders are developing concern over domestic demand due to the prospect of another global recession. The Canadian Dollar is trading at its lowest level since late June, with today's weakness associated with the bond rating agency Standard and Poors' decision to downgrade U.S. Treasury Bonds to a status of AA+, down from AAA.

Canadian delivered soymeal prices opened lower this morning. Still amid fears of global economic slowdown, Standard and Poor's demotion of U.S. debt may entice investments away from riskier markets; such as soybeans. The upcoming weather condition for soybeans is looking promising; despite this the market is down to their lowest level since July 7th. The U.S. Department of Agriculture will release the awaited U.S. crops based field survey on Thursday morning, this will be their first forecast.

Canadian delivered corn prices opened lower this morning. Cool, wet weather is shown in the coming weather forecast; this should encourage a large harvest. This is much needed as corn inventories are currently projected to reach a 15 year low. The monthly U.S. crop report should shed some insight on the actual damage to the corn crops from the hard weather it has endured.

| | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr |
|---|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Fixed Forward Range (Maple Leaf Sig. #3) | | 162.19 163.10 | 155.14 162.42 | 147.60 153.60 | 148.60 153.14 | 149.18 156.44 | 155.99 159.17 | 155.95 158.22 | 157.33 166.89 |
| (Maple Leaf Sig. #4) | | 160.58 160.93 | 154.81 159.21 | 146.80 152.00 | 149.44 151.56 | 148.85 152.72 | 154.84 157.17 | 154.01 157.17 | 155.70 163.29 |
| Soymeal Delivered | 382 | 385 | 383 | | | | | | |
| Corn Delivered | 292 | 292 | | | | | | | |



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