

Tuesday, July 10, 2012

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

US Slaughter	
393,000 – Monday's	
383,000 – Monday's (year ago)	
Western Corn Belt	\$96.30
Daily National Price	\$100.02
Daily Sig3(M.Leaf)	\$180.26
Daily Sig4(M.Leaf)	\$181.31
4-Month Fwd Avg	\$152.83
#1 Export Sows (+500lbs) \$42.00cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0212CAD / \$0.9792US	
Cash Prices: Week Ending July 6th, 2012	
83.77/184.68 Signature #3	
82.23/181.29 Signature #4	
82.48/181.83 h@ms Cash	
81.04/178.65 Hylife	
ISO Weans \$18-34US	
Feeder Pigs \$36-48US	


**Forward contract prices opened lower this morning.** U.S. cash markets dropped sharply yesterday, with packers taking decisive action to effect a positive change in their operating margins. The poor margins have caused smaller, independent processors to severely cut back and even temporarily shut down operations. Hog slaughter may be slightly more abundant this week as much of the Midwest is receiving a break from the hot temperatures seen in recent weeks, causing some producers to market animals backed up from those weeks. Lean Hog futures saw heavy influence from grain markets yesterday, with the drought like conditions forcing prices sharply higher. 2013 Lean Hog futures traded limit up, taking some months to their highest levels. Traders are betting that high grain prices will force some hog producers out of business, resulting in a reduction in supply and higher prices. Typically, these supply reactions are not seen for more than a year after profitability weakens, so current forward contract prices reflect a good selling opportunity.

**Canadian delivered soymeal prices opened lower this morning.** According to yesterday's Crop Progress report, 44% of the soybean crop is in bloom, this is 19% higher than the five year average. As for the condition of the crop, 40% was in the good to excellent category, a 5% reduction from last week and 26% lower than last year.

**Canadian delivered corn prices opened lower this morning.** Corn silking was reported at 50% in yesterday's Crop Progress report, 31% higher than the five year average. The condition of the corn crop continues to deteriorate, with the percentage of the crop rated good to excellent down 8% from last week to 40%, while last year it was at 69%.


	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		158.36	152.84	146.11	139.36	141.23	143.44	151.88	150.61	153.81
(Maple Leaf Sig. #4)		169.12	153.31	153.14	144.51	145.45	150.47	154.70	155.30	162.75
Soymeal Delivered	578	578	562	565	560					
Corn Delivered	296	298								

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