

Friday, July 13, 2012

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

US Slaughter	
393,000 – Thursday's	
411,000 – Thursday's (year ago)	
Western Corn Belt	\$94.50
Daily National Price	\$98.33
Daily Sig3(M.Leaf)	\$176.93
Daily Sig4(M.Leaf)	\$178.27
4-Month Fwd Avg	\$146.85
#1 Export Sows (+500lbs)	\$42.00cwt
B of C Ex. Rate (Noon)	
\$1.0214CAD / \$0.9791US	
Cash Prices: Week Ending July 13th, 2012	
81.50/179.67	Signature #3
81.63/179.97	Signature #4
80.63/177.75	h@ms Cash
80.29/177.01	Hylife
83.82/184.80	Thunder Creek
ISO Weans \$18-34US	
Feeder Pigs \$36-48US	

Forward contract prices opened lower this morning. U.S. cash markets have shown no discernible direction, with daily gains and losses exceeding \$3.00/cwt seen this week. Cash bids are expected to finish on the low side of the trading range, as the wholesale pork market remains at a deficit to cash bids, keeping packer margins in the red. Lean Hog futures also experienced a volatile week, with the remaining 2012 contracts losing more than \$3.00/cwt. The down turn in prices were triggered by heavy selling early in the week, and with the uncertainty related to corn and soybean crops, traders have been cautious buyers. The Canadian dollar is finishing the week near US\$0.98, the middle of its recent trading range. The debt crisis in Europe has moved to the back burner recently, as traders focus on whether the U.S. and China will start economic stimulus initiatives to support their sagging economies. Current forward prices remain fairly priced given the prospect of reduced pork export demand from China for the 4th Quarter of 2012.

Canadian delivered soymeal prices opened higher this morning. Weather forecasts are indicating another ridge of hot and dry weather for next week. Crop conditions are anticipated to deteriorate further with the unfavourable weather outlook and soil conditions. The Soybean complex is up sharply again this morning, approaching new contract highs.

Canadian delivered corn prices opened higher this morning. The US corn crop continues to deteriorate with a growing area of dryness originating in the eastern Cornbelt, and creeping west. With the 20 bushel per acre reduction in yield estimates, the trade will need to start rationing demand. This means that the least profitable use for corn will be impacted, possibly by users leaving the livestock feeding, or ethanol industries.

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		154.25	146.25	139.55	132.24	134.11	137.51	145.92	145.59	149.27
		164.96	146.71	146.55	137.37	138.30	144.52	148.72	150.26	158.20
(Maple Leaf Sig. #4)		155.86	147.03	139.74	133.66	133.66	138.50	145.02	147.77	148.64
		162.17	151.63	146.70	138.89	139.62	142.48	146.73	149.57	156.83
Soymeal Delivered	565	565	554	538	534					
Corn Delivered	296	298								

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