

Monday, July 16, 2012

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

US Slaughter	
1.96 Mill – Last Week's	
2.03 Mill – Last Week's (year ago)	
Western Corn Belt	\$91.86
Daily National Price	\$97.92
Daily Sig3(M.Leaf)	\$170.92
Daily Sig4(M.Leaf)	\$176.44
4-Month Fwd Avg	\$143.54
#1 Export Sows (+500lbs)	\$42.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0151CAD / \$0.9851US	
<b>Cash Prices: Week Ending July 13th, 2012</b>	
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 \$8-26US	
Feeder Pigs \$26-40US	

**Forward contract prices opened lower this morning.** U.S. cash markets are expected to trade steady to lower this week, with packers trying to stay disciplined on a buying program that would help their margins recover. Last week ended with losses in the cash market exceeding \$4.00/cwt. in most regions. A number of conflicting factors are at play in the cash market including the hot weathers impact on marketing's, shrinking frozen pork inventory and slower retail sales of grilling cuts, possibly due to the hot weather. December Lean Hog futures lost about \$5.00/cwt. or about 6% in last week's trade, as producers overwhelmed the available buyers as they attempted to hedge their production. As crop prices rally due to the drought, late 2013 contracts will appreciate, reflecting ideas that there will be liquidation of the breeding herd. The Canadian dollar is trading slightly lower this morning, but is still in the upper area of its 2 month trading range. Currency traders are focused on comments from the Chairman of the U.S. Federal Reserve as he visits congress later today.

**Canadian delivered soymeal prices opened higher this morning.** A large portion of the Midwest received no rain in the past week and it is looking unlikely that it will get any precipitation in the next ten days. New crop soybean prices hit new contract highs already this morning, with prices up over 25% from June 1<sup>st</sup>. The crop condition report this afternoon is anticipated to show another decrease for soybeans.

**Canadian delivered corn prices opened higher this morning.** Corn saw little rain in the extremely dry areas of Illinois, Indiana and Ohio, which only showed light moisture accumulations in the topsoil. Weather forecasts for Iowa and western Corn Belt are looking bleak, with high temperatures in the 95-102 range and dry. The weekly crop progress report is anticipated to show another decrease in the corn crops good to excellent ratings. Insurance adjusters are said to be zeroing out entire fields, resulting in some counties in the U.S. noted as natural disasters.

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		151.82	143.89	137.19	130.21	132.08	134.27	143.62	145.02	147.11
		161.62	144.36	144.20	135.35	136.29	142.21	146.42	148.76	159.97
(Maple Leaf Sig. #4)		154.07	145.30	138.01	132.25	132.25	135.36	142.78	146.31	146.54
		159.85	149.91	144.98	137.50	138.23	140.25	144.50	148.12	157.62
Soymeal Delivered	583	583	573	557	553					
Corn Delivered	296	298								

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