

Tuesday, July 17, 2012

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

US Slaughter	
375,000 – Monday's	
400,000 – Monday's (year ago)	
Western Corn Belt	\$90.56
Daily National Price	\$96.88
Daily Sig3(M.Leaf)	\$168.60
Daily Sig4(M.Leaf)	\$174.67
4-Month Fwd Avg	\$142.25
#1 Export Sows (+500lbs)	\$34.00cwt
B of C Ex. Rate (Noon)	
\$1.0157CAD / \$0.9845US	
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 \$8-26US	
Feeder Pigs \$26-40US	

Forward contract prices opened lower this morning. U.S. cash markets are dropping slowly and producers are reacting to the higher feed prices by reducing their marketing weights, while packers are attempting to bring their chronically negative margins back into the black. Hog supplies over the last two months have been equivalent to year ago levels and have matched the projections on the last Hogs and Pigs report. Lean Hog futures traded near steady yesterday but are starting the day more than \$0.50/cwt. lower, pressured by the prospect of an increase in supplies over the next 3 months and the reality that packer margins will improve at the expense of cash bids. The focus of agricultural markets has been the impact of the drought in the U.S. that has led to near record corn and soybean prices. Unless conditions improve, the grain supplies will not be sufficient to meet current consumptions levels, requiring some users like the ethanol and livestock production sectors to shrink in size.

Canadian delivered soymeal prices opened higher this morning. Soybean's crop progress report confirmed a decrease in the good to excellent ratings by 6%, to 34%. Soybeans are 66% blooming and 16% are setting pods as of Sunday. The weather forecasts are showing relentless heat and limited precipitation, with the northern and eastern parts of the Midwest seeing temperatures in the 100s.

Canadian delivered corn prices opened higher this morning. Corn's bearish outlook is supported by yet another decrease in the crop progress report. Corn's good to excellent ratings fell by 9% to 31% this week. The poor or very poor condition has increased and is now at 38% of all of the corn acres. The percentage of the Corn crop in the silking phase is 71% as of Sunday.

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		152.23 162.02	142.25 142.72	135.33 142.33	128.62 133.75	130.48 134.68	133.83 141.78	143.18 145.99	144.27 148.94	147.33 160.16
(Maple Leaf Sig. #4)		154.45 160.23	143.71 148.32	136.20 143.15	130.69 135.93	130.69 136.65	134.94 139.83	142.36 144.08	146.49 148.30	146.75 157.81
Soymeal Delivered	587	587	577	559	554					
Corn Delivered	344	344								

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