

Wednesday, July 18, 2012

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

<b>US Slaughter</b>	
398,000 – Tuesday's	
407,000 – Tuesday's (year ago)	
Western Corn Belt	\$91.06
Daily National Price	\$95.39
Daily Sig3(M.Leaf)	\$169.27
Daily Sig4(M.Leaf)	\$171.71
4-Month Fwd Avg	\$144.12
#1 Export Sows (+500lbs)	\$34.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0141CAD / \$0.9861US	
<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 higher this morning.** U.S. cash markets are trading steady this morning, with packers continuing to make an effort to improve their operating margins that have been negative for months. Pork production is down as a result of hog marketing's dropping in line with seasonal trends and average carcass weights falling to 204 lbs., the lowest level seen so far this year. In the futures market, the focus is on the impact of the drought on long term hog supplies with a growing belief that a significant increase in breeding stock going to market could be seen before the end of summer. After last week's spike higher of approximately \$2.50/cwt., the summer month contracts of 2013 have not appreciated much, which could lead to another spike higher if we see a further deterioration in crop conditions. The Canadian dollar saw little influence from Fed Chairman Bernanke's comments to U.S. Senators yesterday, after the market was looking for signs of another round of economic stimulus and failed to receive it.

**Canadian delivered soymeal prices opened higher this morning.** Areas west of the Mississippi River are seeing the soybean crop that is very stressed, with dry topsoil and extreme temperatures. Weather trends appear negative, looking to hold temperatures at near 100 with minimal rain forecasted. Pod setting is occurring amidst stressful conditions, all of these factors are driving concerns that yields may actually come in lower than 39 bushels/acre. Concerns of the soybean supply are high as South America does not appear to have a good crop either.

**Canadian delivered corn prices opened lower this morning.** The corn crop could see some light rain in the Corn Belt over the next few days, but traders will remain cautious as the showers may be spotty. Corn markets have climbed more than 50% of their value in the last month as drought conditions are damaging crops and impacting potential yields.

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		153.92 163.67	143.46 143.93	136.81 143.79	130.20 135.32	132.06 136.25	134.95 142.89	144.29 147.10	144.91 149.58	148.00 160.79
(Maple Leaf Sig. #4)		156.24 161.99	145.40 149.98	138.16 145.09	132.75 137.98	132.75 138.70	136.56 141.45	143.98 145.70	147.65 149.46	147.94 158.69
Soymeal Delivered	597	597	581	562	555					
Corn Delivered	344	344								

*This information is intended to help you make pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the consent of the author.*

WINNIPEG LIVESTOCK  
HWY #6 AND RD 236

LIGHT HOG PROGRAM!

CALL CRYSTAL FOR MORE INFO 204-235-2225

ACCEPTING:  
SOWS  
BOARS  
LIGHTS  
MARKET HOGS