

Thursday, July 19, 2012

**Forward contract prices opened mixed this morning.** U.S.

cash markets rallied by close to \$5.00/cwt in trade yesterday as conflicting fundamentals continue to cause massive price fluctuations. Some packers are finding themselves short of live supplies while demand for pork remains solid. This led to the strong gains in cash bids despite weak packer operating margins. Higher volatility appears to be the only constant for market participants of hog markets. The fall and winter contracts hit new contract lows in trade yesterday, but promptly recovered to near limit up over the course of the day. In early morning trade, most futures months were higher again, providing a good selling opportunity for producers looking for protection for the fall and winter months. The Canadian Dollar is trading at its highest level in months, with traders speculating that another round of economic stimulus is in the works from the U.S. Federal Reserve.

**Canadian delivered soymeal prices opened higher this morning.**

The soybean crop continues to deteriorate with drought conditions growing in area in the Midwest and fueling the bullish trend. Despite the high prices, users of soybeans have been slow to find feedstock alternatives. There will be no reprieve from South America as it doesn't appear to have a big crop to ease supply.

**Canadian delivered corn prices opened higher this morning.**

The impact of the drought continues to worsen; even with reports of scattered showers. Light rain is forecast, but accumulation appears to be limited. The ten day forecast has temperatures in the 90s for most of the Midwest.

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

<b>US Slaughter</b>	
398,000 – Wednesday's	
404,000 – Wednesday's (year ago)	
Western Corn Belt	\$95.60
Daily National Price	\$94.88
Daily Sig3(M.Leaf)	\$177.20
Daily Sig4(M.Leaf)	\$170.30
4-Month Fwd Avg	\$143.04
#1 Export Sows (+500lbs)	\$34.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0112CAD / \$0.9889US	
<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	

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		157.40	145.65 146.11	139.02 145.98	131.15 136.24	133.00 137.17	134.82 142.71	144.11 146.89	145.04 149.68	148.27 160.82
(Maple Leaf Sig. #4)		159.58	147.49 152.06	140.28 147.19	133.64 138.85	133.64 139.56	136.40 141.26	143.77 145.48	147.73 149.53	148.18 158.70
Soymeal Delivered	627	627	608	582	571					
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.*

