

Monday, July 23, 2012

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

<b>US Slaughter</b>	
1.96 Mill – Last Week's	
1.99 Mill – Last Week's (year ago)	
Western Corn Belt	\$94.93
Daily National Price	\$94.95
Daily Sig3(M.Leaf)	\$175.99
Daily Sig4(M.Leaf)	\$170.46
4-Month Fwd Avg	\$140.25
#1 Export Sows (+500lbs)	\$34.00cwt
<b>B of C Ex. Rate (Noon)</b>	
\$1.0114CAD / \$0.9887US	
<b>Cash Prices: Week Ending July 20th, 2012</b>	
78.06/172.10	Signature #3
78.28/172.58	Signature #4
77.21/170.22	h@ms Cash
76.66/169.01	Hylife
80.11/176.60	Thunder Creek
ISO Weans \$3-8US	
Feeder Pigs \$15-18US	

**Forward contract prices opened lower this morning.** U.S. cash markets are expected to trade steady to higher this week, in spite of the negative operating margins. Poor packer margins are not uncommon for this time of year as the hog supply tightens while demand peaks during the summer barbecue season. The USDA released its monthly Cold Storage report on Friday and the results were near expectations. Total pork in storage was up 20% from year ago levels and record large for the month of June, but lower than last month's levels. Lean Hog futures are starting the day slightly lower, with most traders focusing on weekend weather and its impact on corn and soybean prices. A concern for traders is the ability of the market to maintain aggregate demand amid slower exports to China and a slowdown in the U.S. economy. The Canadian Dollar has lost some value over the weekend as news that Spain may require a bailout from the rest of Europe sent the U.S. Dollar higher.

**Canadian delivered soymeal prices opened lower this morning.** Soybean crops have been experiencing increased stress as temperatures were into the 95-105 range over the weekend. Dire weather conditions are forecasted to continue into next week. The crop progress report this afternoon is expected to show another decrease of 4% in the good to excellent category. In addition to North America's crop concerns, India's soybean crop, is also suffering from a lack of moisture.

**Canadian delivered corn prices opened lower this morning.** Yield estimates along with the percentage of the crop rated good to excellent in today's Crop progress report are anticipated to decrease further. Weather maps show no reprieve in near term forecasts with widening dryness and extreme temperatures.

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)			144.09	137.36	129.58	131.45	133.87	143.25	145.79	146.33
(Maple Leaf Sig. #4)			144.55	144.38	134.73	135.67	141.85	146.07	149.54	160.80
Soymeal Delivered	636	636	620	596	585					
Corn Delivered	353	353								

*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.*



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