

Tuesday, July 24, 2012

Hog Prices:↓ **Soymeal:**↓

Corn:↓ **Cdn Dollar:**↓

US Slaughter

398,000 – Monday's

394,000 – Monday's
(year ago)

Western Corn Belt \$95.19

Daily National Price \$95.14

Daily Sig3(M.Leaf) \$177.48

Daily Sig4(M.Leaf) \$171.77

4-Month Fwd Avg \$140.24

#1 Export Sows (+500lbs)
\$34.00cwt

B of C Ex. Rate (Noon)
\$1.0172CAD / \$0.9831US

Cash Prices: Week Ending
July 20th, 2012

78.06/172.10 Signature #3

78.28/172.58 Signature #4

77.21/170.22 h@ms Cash

76.66/169.01 Hylife

80.11/176.60Thunder Creek

ISO Weans \$3-8US

Feeder Pigs \$15-18US

Forward contract prices opened lower this morning. U.S. cash markets are trading mixed this morning with packers trying to trigger a recovery in their operating margins, but the tight hog supply is preventing this from happening. Hog numbers over the past month have been equivalent to year ago numbers. However, carcass weights have been slower to drop and are currently running 3 lbs heavier than year ago levels even with the higher feed prices. Lean Hog futures are trading lower with growing concerns about export sales and increased pork supply coming from breeding stock in the coming months. The deterioration of the corn and soybean crops has been near unprecedented in recent history and the price implications of the short supply will be the largest factor impacting livestock markets over the next year. The Canadian Dollar remains near the middle of its trading range but recent strength has been limited by concerns that Spain may need a bailout by other members of the Euro zone.

Canadian delivered soymeal prices opened lower this morning. The percentage of the US soybean crop rated good to excellent was within the expected range coming in at 31%. Poor to very poor ratings increased by 5% to 35%. This is higher than 1988 which until now had the worst poor to very poor rating in recent history at 23%. 36% of the crop is currently in the pod setting stage.

Canadian delivered corn prices opened lower this morning. The Corn crop saw good to excellent ratings drop more than anticipated and fell 5%. Currently, the good to excellent rating sits at 26% while the poor to very poor rating is at 45%, 1% below the year of 1988. There is potential for rains in the second week of the 14 day forecast but traders are cautious of pricing this into the market.

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)			144.00	137.25	129.66	131.54	133.81	143.18	144.68	147.80
			144.47	144.28	134.82	135.75	141.78	146.00	149.37	160.61
(Maple Leaf Sig. #4)			145.96	138.63	132.28	132.28	135.48	142.92	147.46	147.76
			150.58	145.61	137.54	138.26	140.38	144.64	149.27	158.53
Soymeal Delivered	609	609	588	566	556					
Corn Delivered	353	353								

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