

Thursday, July 26, 2012

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

<b>US Slaughter</b>	
402,000 – Wednesday's	
405,000 – Wednesday's (year ago)	
Western Corn Belt	\$94.14
Daily National Price	\$95.62
Daily Sig3(M.Leaf)	\$175.68
Daily Sig4(M.Leaf)	\$172.80
4-Month Fwd Avg	\$141.86
#1 Export Sows (+500lbs) \$25.00cwt	
<b>B of C Ex. Rate (Noon)</b> \$1.0181CAD / \$0.9822US	
<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 higher this morning.** U.S. packers are maintaining their cash bids, despite the negative operating margins that they yield. Hog supplies are tight with marketing's at the lowest levels of the year and heat in the Midwest slowing the flow even further. Wholesale pork prices are holding steady amid the lower production levels as the record large supply of pork in storage is being drawn down. In the futures market, all fall and winter month contracts rallied sharply yesterday after the pork cut-out strengthened on the previous day. Over the last week, traders have been following news that Russia would be reducing its import duties as part of a plan to enter into the WTO. While this news was received positively, Russia's import quota for pork is still relatively small and will not play a significant role in our markets for more than a year. Producers looking for price protection on winter production should view the recent rally as a good pricing opportunity.

**Canadian delivered soymeal prices opened lower this morning.** The Midwest is seeing some rain this morning, providing some minor relief to the soybean crop. Cooler temperatures have been a feature this week, only to see forecasted hot and dry weather for the next 8 days.

**Canadian delivered corn prices opened lower this morning.** The Midwest's corn crop is getting spotty rain this morning, however the impact may be negligible as it is likely too little and too late. Crop tours have started and early reports have areas like central and western Illinois below trend line yields. Higher prices have started to cause demand destruction, with all users of corn pressured to buy less or find alternatives.

	July	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)			145.50	138.77	131.73	133.58	135.94	145.21	146.32	150.56
(Maple Leaf Sig. #4)			145.96	145.72	136.82	137.75	143.82	147.99	150.96	163.67
			147.34	140.03	134.20	134.20	137.47	144.83	148.96	150.42
			151.91	146.94	139.40	140.12	142.32	146.54	150.76	161.48
Soymeal Delivered	627	627	601	573	564					
Corn Delivered	343	343								

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