

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

Tuesday, August 07, 2012

**Forward contract prices opened higher this morning.** U.S. cash markets started the week sharply higher yesterday, with packers scrambling to find enough live supplies to meet their slaughter schedule. While still negative, operating margins have improved to the point where modest gains in cash bids are reasonable. The pork cut-out is being supported by higher loin and rib values, which adds to the already strong ham and belly prices. While weekly slaughter levels have grown more than 2 million head, some market participants believe that cash markets can make gains over the next two weeks. Lean hog futures are expected to find some support after the correction experienced last week, when winter month futures dropped about 10%. The Canadian dollar is back above parity with the US Dollar, as commodities have experienced broad support.

**Canadian delivered soymeal prices opened higher this morning.** 92% of the US soybean crop has bloomed, an increase of 10% from last week. Pod setting has increased this week by 23% to 64%. The good to excellent rating for soybeans is the same as last week at 29%, whereas the poor to very poor has increased by 2% to 39% from the prior week.

**Canadian delivered corn prices opened higher this morning.** The Crop Progress report came out yesterday. Corn silking is largely complete with 61% of the crop in the dough stage, up 24% from last week. Corn's good to excellent rating has decreased by only 1% to 23%, where the poor to very poor rating has grown by 2% to 50%.

US Slaughter	
356,000	Monday's
394,000	Monday's (year ago)
Western Corn Belt	\$88.74
Daily National Price	\$94.42
Daily Sig3(M.Leaf)	\$162.43
Daily Sig4(M.Leaf)	\$167.35
Thunder Creek	\$161.96
4-Month Fwd Avg	\$131.60
#1 Export Sows (+500lbs)	\$23.00cwt
B of C Ex. Rate (Noon)	
\$0.9986CAD / \$1.0014US	
Cash Prices: Week Ending August 3rd, 2012	
77.13/170.05	Signature #3
77.08/169.94	Signature #4
76.21/168.02	h@ms Cash
75.78/167.06	Hylife
79.61/175.50	Thunder Creek
ISO Weans	\$2-14US
Feeder Pigs	\$11-18US

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		135.95	129.35	122.25	124.09	129.67	139.78	145.66	150.17
(Maple Leaf Sig. #4)		138.69	136.22	127.30	128.21	137.48	143.45	148.87	163.06
Soymeal Delivered	610	614	573	567	567				
Corn Delivered	331								

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