

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

Friday, August 10, 2012

Forward contract prices opened mixed this morning. U.S. cash markets are finishing the week lower, with packers making a disciplined decision to initiate a recovery to their operating margins. Available weekly hog supplies will grow about 5% from current levels of just over 2 million hogs before then end of the month. Of greater concern is what the pork cut-out will do over the same timeframe as domestic demand remains soft and exports are at risk of slowing, particularly to China. Nearby Lean Hog futures have factored in more than a \$15/cwt drop in cash prices over the next two months, a decline that exceeds the normal weakness experienced at this time of year. Lean Hog futures are seeing influence from the USDA's WASDE report, which lowered their soybean and corn production estimates further, lending support to the already high feed prices.

Canadian delivered soybean prices opened higher this morning. U.S. soybean projections for ending stocks have been lowered, with 2012/13 ending stocks projected at 115 million bushels, down from the July projection of 130 million bushels. Yield harvested per acre for July is predicted at 40.5 bushels. Looking forward, yield harvested per acre for August U.S. soybean crops are 36.1 bushels, a decrease of 4.4 bushels per acre. World soybean supply is forecasted 2.28 million metric tons lower for Aug than last month, at 53.38 million metric tons. This amount is currently still higher than 2011/12 world ending stocks of 51.94.

Canadian delivered corn prices opened higher this morning. The WASDE report was released this morning, indicating an expected decline in U.S. corn ending stocks. Ending stocks projected for Aug 2012/13 are 650 million bushels, which is a huge decrease of 533 million bushels from the July projection of 1183 million bushels. The projected use for U.S. corn as feed has been reduced, with the higher prices the projection for feed use is down to just over 4 billion bushels, a decrease of 725 million bushels.

US Slaughter	
409,000 – Thursday's	
411,000 – Thursday's (year ago)	
Western Corn Belt	\$90.18
Daily National Price	\$93.78
Daily Sig3(M.Leaf)	\$164.04
Daily Sig4(M.Leaf)	\$165.20
Thunder Creek	\$163.57
4-Month Fwd Avg	\$131.11
#1 Export Sows (+500lbs)	\$29.00cwt
B of C Ex. Rate (Noon)	
\$0.9924CAD / \$1.0077US	
Cash Prices: Week Ending August 10th, 2012	
74.94/165.22	Signature #3
75.39/166.20	Signature #4
74.14/163.46	h@ms Cash
n/a	Hylife
76.16/167.90	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)		134.44	127.90	120.97	122.80	125.71	137.60	144.51	149.76
(Maple Leaf Sig. #4)		137.17	134.74	125.99	126.90	134.85	142.17	146.34	163.54
Soymeal Delivered	645	648	600	590	590				
Corn Delivered	331								

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