

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

Monday, August 13, 2012

Forward contract prices opened mixed this morning. U.S. cash markets trended lower last week, to finish Friday at the lowest levels in more than 2 months. The combination of packers being motivated to recover some of their lost profitability and more abundant hog supplies have contributed to the recent weakness. The pork cut-out has been relatively firm which, in combination with firm by-product values, has contributed to a significant improvement in packer profitability. The USDA lowered its pork production forecast for 2013 by close to 3%, a significant drop this far in advance. Higher feed costs are working into their forecasting models, resulting in liquidation of the breeding herd. As a result, deferred month Lean Hog futures continue to strengthen, reflecting the forecasted reduction in market hog supply. The Canadian Dollar continues to trend higher, with support coming from higher commodity prices and a more optimistic economic outlook.

Canadian delivered soymeal prices opened lower this morning. The higher prices of soybeans is forcing demand rationing, as production estimates dwindle for the U.S., Brazil and Argentina. The weather outlook for this week looks to have a reprieve in store for soybeans with cooler temperatures and some localized showers.

Canadian delivered corn prices opened lower this morning. End user reaction to the cash market will be the prominent factor in how much higher corn prices trend. The market is getting a better idea of yields as crop scouts have been more active and harvest ramps up, providing actual yield numbers for the corn crop this year.

US Slaughter	
2.03 Mill – Last Week's	
2.04 Mill – Last Week's (year ago)	
Western Corn Belt	\$87.91
Daily National Price	\$93.26
Daily Sig3(M.Leaf)	\$159.79
Daily Sig4(M.Leaf)	\$164.14
Thunder Creek	\$159.48
4-Month Fwd Avg	\$132.60
#1 Export Sows (+500lbs)	\$29.00cwt
B of C Ex. Rate (Noon)	
\$0.9916CAD / \$1.0085US	
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
73.62/162.30	Hylife
76.16/167.90	Thunder Creek
ISO Weans	\$2.40-13US
Feeder Pigs	\$14-20US

	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Fixed Forward Range (Maple Leaf Sig. #3)		136.98	130.40	123.13	124.96	126.63	138.50	145.12	150.12
(Maple Leaf Sig. #4)		138.80	137.25	128.15	129.07	135.76	143.07	146.95	163.87
Soymeal Delivered	628	630	580	570	570				
Corn Delivered	347	347	314						

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