

Hog Prices:↓ Soymeal:↑

Corn:↑ Cdn Dollar:↓

Thursday, August 16, 2012

Forward contract prices opened lower this morning. Cash markets slid lower in trade yesterday, with packers dropping cash bids in an effort to maintain the positive margins that have developed over the last two weeks. Not only is the hog supply more abundant and growing, but average carcass weights have made their summer bottom and are growing larger, in part due to the cooler weather seen recently in the Midwest. Pork export sales were released last week for the month of June and showed close to an 8% increase over last year, with year over year gains seen in all of the top markets. Exports to China were more than 50% larger than year ago levels, but continue to follow a diminishing trend, down approximately 20% from the month of May. Nearby Lean Hog futures took back the gains they found earlier this week, pressured by concerns that hog supply will outpace packer demand.

Canadian delivered soymeal prices opened higher this morning. Crop tours are anticipated to ramp up over the next few weeks. This may have a choppy effect on the market as yield and quality reports get slowly released. China appeared to be more active in the soybean market, but this will be confirmed in the export sales report. Sales are anticipated to be 750-950,000 tonnes.

Canadian delivered corn prices opened higher this morning. Despite potential reasons to decrease corn use for ethanol, production has been on the rise. Corn used in ethanol production rose to 87.24 million bushels per week. Ethanol continues to have an advantage over gasoline in the price spread at 44 cents/gallon lower than gas.

US Slaughter

417,000 — Wednesday's

410,000 — Wednesday's
(year ago)

Western Corn Belt \$87.49

Daily National Price \$92.13

Daily Sig3(M.Leaf) \$158.62

Daily Sig4(M.Leaf) \$161.76

Thunder Creek \$158.25

4-Month Fwd Avg \$129.96

#1 Export Sows (+500lbs)
\$26.50cwt

B of C Ex. Rate (Noon)
\$0.9891CAD / \$1.0110US

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	May	Jun
Fixed Forward Range (Maple Leaf Sig. #3)		134.26 136.08	127.80 134.62	120.31 125.31	122.13 126.22	124.99 134.11	136.84 141.40	143.50 145.32	148.42 162.13	166.66 175.34	171.69
(Maple Leaf Sig. #4)		136.86 138.53	129.75 136.53	123.46 128.57	123.46 129.27	127.57 133.31	136.66 140.55	143.02 146.55	148.68 159.48	163.16 171.56	171.12
Soymeal Delivered	641	641	587	575	575						
Corn Delivered	320	336	304								

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