

Tuesday, June 25, 2013

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

**Forward contract prices opened mixed this morning.** US cash markets have seen little influence from the rise in pork product values over the last week, with packer bids still stumbling at the \$100/cwt. price level. However, wholesale pork prices as measured by the pork carcass cut-out have consistently broke into new highs, now trading just shy of \$110/cwt. The pork carcass cut-out reported on the 'new' mandatory USDA report has a limited history, but given the relationship it had with the 'old' price, wholesale pork prices are at all-time record highs. Lean Hog futures could not ignore the strong cash market fundamentals, allowing the fall and winter month contracts to gain close \$1.00/cwt. in trade yesterday. While the deferred month contracts are still US\$2.00/cwt. from contract highs, H@MS forward prices are approaching contract highs due to recent weakness in the Canadian Dollar. Producers looking for protection for the fall months should consider setting targets \$2-\$4/ckg higher than the current forward prices.

US Slaughter	
402,000	Monday
386,000	Monday (year ago)
W. Corn Belt	\$99.72
National Price	\$103.13
Daily Sig 3	\$192.51
Daily Sig 4	\$192.79
Thunder Creek	\$193.95
4-Month Fwd.	\$165.34
#1 Export Sows (+500lbs)	\$ 49.00 cwt.
<b>B of C Ex. Rate (Noon)</b>	
\$1.0532 CAD/\$0.9494 USD	
<b>Cash Prices: Week Ending June 21, 2013</b>	
Signature 3	84.80/186.96
Signature 4	84.53/186.36
h@ms Cash	83.85/184.86
Hylife	84.16/185.55
Thunder Creek	84.69/186.70
ISO Weans	\$29.11 US Avg.
Feeder Pigs	\$49.00 US Avg.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are trading higher. An improvement in financial markets overnight lead by equities is a factor contributing to support for commodities. As well, old crop tightness remains supportive for the nearby contracts. Yesterday's Crop Progress report showed 92% planted, up from 85% last week; there is a general consensus that the Planting Intentions (Acreage) report on Friday will have a much higher impact on the trade.

**Canadian delivered corn prices opened lower this morning.** US corn futures are trading higher. As with soybeans, the improvement in equities markets has had a supportive effect on US corn. A prominent analyst group is estimating the US to plant 95.4 million acres of corn, down from the 97.28 million acre USDA March estimate, ahead of the Acreage report. Nonetheless, total corn acres are expected to be larger than last year with Friday's report expected to provide confirmation.

Fixed Forward Range	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3			170.18 183.54	161.95 163.89	155.44 163.20	146.58 152.88	149.49 152.40	148.58 154.41	154.89 158.29	153.01 156.41	155.15 159.04
Maple Leaf Sig. #4			172.96 182.24	162.83 169.77	158.41 163.11	147.95 156.21	150.02 153.77	148.77 151.97	154.60 157.80	154.19 157.01	153.82 157.59
Soymeal Delivered	589	589	594	594	594	468	468				
Corn Delivered	287	289	291								

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