

Wednesday, July 10, 2013

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

Forward contract prices opened higher this morning. US cash markets are trading mixed this morning as packers currently seem content to buy supplies at current bids. However, wholesale pork prices continue to see weakness, as they have lost about \$7/cwt over the last three weeks. The Ham and Belly primal cuts have been supportive to the carcass cut-out, while the remaining cuts have had a weaker influence. Export markets are performing better than they have in months with sales to Mexico experiencing a better volume of activity than last year. In addition, sales to Asian destinations have picked up compared to levels seen a few months ago, but are still down from year ago levels. Lean Hog futures have run into some technical resistance to moving higher, and lower cash market has provided no fundamental support recently. Forward contract prices represent fair value for producers looking for protection in the Oct – Dec timeframe, with the low Canadian Dollar providing some added value.

Canadian delivered soymeal prices opened lower this morning. Soybean markets are largely focused on tomorrow's release of the USDA Grain Stocks Report. The market is expecting an ending stocks number for this crop year of about 121 million bushels of soybeans, which is down from the USDA's last estimate of 125 million bushels in June. Demand has yet to experience a significant slowdown with exports continuing to outpace year ago levels in spite of the tight supply.

Canadian delivered corn prices opened higher this morning. Corn markets are finding support from the recent forecast for higher temperatures moving into western portions of the Cornbelt. However, we still have a few weeks before we enter the critical, yield determining pollination phase of crop development. The most recent commitment of traders report showed that funds are holding a net short position in Corn, the first time in 3 years.

US Slaughter	
400,000	Tuesday
392,000	Tuesday (year ago)
W. Corn Belt	\$99.58
National Price	\$102.86
Daily Sig 3	\$192.20
Daily Sig 4	\$192.25
Thunder Creek	\$188.41
4-Month Fwd.	\$161.57
#1 Export Sows (+500lbs)	\$ 66.65 cwt.
B of C Ex. Rate (Noon)	
\$1.0530 CAD/\$0.9496 USD	
Cash Prices: Week Ending July 5, 2013	
Signature 3	86.95/191.69
Signature 4	87.12/192.06
h@ms Cash	86.44/190.56
Hylife	86.36/190.38
Thunder Creek	87.23/192.30
ISO Weans	\$29.54 US Avg.
Feeder Pigs	\$51.66 US Avg.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		168.44	160.24	153.87	145.45	148.35	148.47	154.77	152.10	154.61
		180.28	162.17	161.61	151.74	151.26	154.29	158.16	155.49	158.50
Maple Leaf Sig. #4		170.69	160.59	156.88	146.85	148.91	148.65	154.47	153.29	153.29
		179.06	167.51	161.56	155.09	152.66	151.84	157.66	156.10	157.06
Soymeal Delivered	652	652	652	657	464	464				
Corn Delivered	289	294	294							

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