

Thursday, July 11, 2013

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

US Slaughter	
407,000	Wednesday
395,000	Wednesday (year ago)
W. Corn Belt	\$100.09
National Price	\$102.51
Daily Sig 3	\$192.84
Daily Sig 4	\$191.25
Thunder Creek	\$192.87
4-Month Fwd.	\$158.41
#1 Export Sows (+500lbs)	\$ 66.65 cwt.
B of C Ex. Rate (Noon)	
\$1.0511 CAD/\$0.9513 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.

Forward contract prices opened lower this morning. US cash markets are in a holding pattern for the time being as packer expectations of supply are currently being met and yielding positive operating margins for most plants. However, the pork carcass cut-out continues to come under pressure, declining 6 out of the last 7 days and losing about \$4.00/cwt in value. At this time of year, packers will try to avoid having their operating margins go negative by matching their cash bids for live supplies to changes in the value of wholesale pork. Lean Hog futures experienced a spike higher in trading yesterday, fuelled by ideas that recent declines were overdone, and an improved outlook for sales to export markets. However with news of the weaker cash market, fall and winter futures were unable to hold on to all of their gains. News from the US Federal Reserve had the US Dollar weaker to most currencies yesterday, after suggestions that their financial stimulus program may end as early as September. This caused a rally in the Canadian Dollar of close to 2 cents and taking our currency to levels over US\$0.96.

Canadian delivered soymeal prices opened mixed this morning. The grain market is awaiting the results of the World Agricultural Supply and Demand Estimates (WASDE) which is expected to show only a modest decline in new crop soybean production from the last report. The trade may react more to the estimates of old crop ending stocks, which the market believes should be around 120 million bushels. Demand has yet to experience signs of rationing which could result in sharply higher spot prices over the next two months.

Canadian delivered corn prices opened higher this morning. Corn traders await the release of the WASDE Report later this morning which could result in significant volatility in today's trade. Trade estimates vary significantly around the average for both ending stocks and production figures, with most analysts suggesting that the bias is for a bullish move rather than bearish. However, with the crop condition improving over the last three weeks, improved yield estimates could drive new crop futures lower.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		165.02	156.90	150.51	142.71	145.59	146.13	152.37	149.59	151.27
		176.93	158.81	158.17	148.94	148.46	151.89	155.73	152.95	155.11
Maple Leaf Sig. #4		167.30	157.30	153.53	144.13	146.17	146.35	152.11	150.81	150.01
		175.77	164.15	158.17	152.29	149.88	149.51	155.27	153.60	153.73
Soymeal Delivered	654	654	654	659	461	461				
Corn Delivered	289	294	294							

This information is intended to aid producers in making pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the authors' consent.



FOR RENT

4025 square foot space in Headingley.
New building, develop to your own specifications.
For more information please call Perry Mohr
204-235-2234 or 204-771-5066