

Friday, July 12, 2013

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

US Slaughter	
406,000	Thursday
392,000	Thursday (year ago)
W. Corn Belt	\$98.15
National Price	\$102.74
Daily Sig 3	\$186.91
Daily Sig 4	\$189.45
Thunder Creek	\$186.87
4-Month Fwd.	\$157.71
#1 Export Sows (+500lbs) \$ 66.65 cwt.	
B of C Ex. Rate (Noon) \$1.0389 CAD/\$0.9625 USD	
Cash Prices: Week Ending July 12, 2013	
Signature 3	86.33/190.32
Signature 4	87.00/191.81
h@ms Cash	86.32/190.31
Hylife	/
Thunder Creek	87.36/192.60
ISO Weans	\$29.54 US Avg.
Feeder Pigs	\$51.66 US Avg.

Forward contract prices opened lower this morning. US cash markets are finishing the week on a lower note with packers dropping their bids in part due to a down turn in wholesale pork prices. Packers tend to be less aggressive with competing for hogs over the weeks of July as total numbers are at their tightest levels for the year. They will diverge from the typical trend if they believe that prices are imminently moving higher, but this does not appear to be the case. The pork carcass cut-out has dropped approximately \$10/cwt or close to 10% of its value over the last month. Lean Hog futures have taken notice of the recent weakness in the cash market and are experiencing softer prices as a result. However, fall and winter months of 2013 are still trading a steep discount to the current cash market and this is supportive to forward prices in the near term. Producers looking for protection in the Sept-Dec timeframe should consider setting targets starting at levels \$2-\$4/ckg higher than current forward prices.

Canadian delivered soymeal prices opened lower this morning. Today's action has traders shifting their focus back to the weather after the WASDE Report failed to have any significant impact on the market. The USDA did not make any adjustments to their estimate for this year's Ending stocks figure, contrary to the opinion of some analysts. Export demand has outpaced last year, and has experienced only a modest slowdown in response to the bullish trend over the last month.

Canadian delivered corn prices opened lower this morning. Yesterday's release of the World Agricultural Supply and Demand Estimates proved to be a non-event, as no changes to crop yields were made from the June report. Crop condition has steadily improved over the last month, but the USDA cannot provide objective estimates on yield until the critical pollination phase of crop development is complete. New crop corn prices are trading in a relatively tight range as crop development looks good but forecasts for higher temperatures are limiting any price weakness.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		164.66	156.54	150.25	141.89	144.76	144.76	150.97	148.26	150.88
		175.16	158.45	157.91	148.11	147.63	150.50	154.32	151.60	159.52
Maple Leaf Sig. #4		166.94	156.95	153.29	143.33	145.37	144.99	150.73	149.49	149.64
		174.05	163.79	157.92	151.49	149.08	148.14	153.88	152.27	156.90
Soymeal Delivered	632	632	632	557	458	458				
Corn Delivered	288	293	293							

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