

Tuesday, July 16, 2013

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

US Slaughter	
401,000	Monday
377,000	Monday (year ago)
W. Corn Belt	\$97.74
National Price	\$101.83
Daily Sig 3	\$186.56
Daily Sig 4	\$188.22
Thunder Creek	\$186.27
4-Month Fwd.	\$160.01
#1 Export Sows (+500lbs)	\$ 64.25 cwt.
B of C Ex. Rate (Noon) \$1.0413 CAD/\$0.9603 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	86.22/190.07
Thunder Creek	87.36/192.60
ISO Weans	\$31.97 US Avg.
Feeder Pigs	\$50.43 US Avg.

Forward contract prices opened mixed this morning. US cash markets are trading mixed after sharply lower bids had the market drop close to \$2.50/cwt. in trade yesterday. Packer operating margins have come under pressure with wholesale pork prices falling about 10% of their value in the last three weeks. Last year, the highest wholesale prices of the summer did not arrive until mid-August, and coincided with the tightest supply of the year. Fall and winter month Lean Hog futures are trading higher this morning, but right in the middle of their July trading range. The choppy trade of the last 3 weeks may indicate that the market is struggling to factor an "unknown" into prices. The continued spread of Porcine Epidemic Diarrhea Virus (PEDv) is increasingly being considered, with some estimates suggesting that the impact of recent deaths on weekly slaughter in the September - December timeframe could be as high as 50,000 hogs/week in some weeks. Should these estimates be realized, there would be a tangible price impact in the cash market at this time.

Canadian delivered soymeal prices opened higher this morning. The soybean complex is trading sharply higher this morning in part due to the crop conditions reported yesterday afternoon. 65% of the Soybean crop is rated Good to Excellent, down 2% from last week. The reduction in the crop rating surprised some traders, as most had anticipated no change from week ago levels. Further pressuring the market is the pace of domestic crushers that is exceeding USDA estimates by more than 10%, as they take advantage of profitable margins.

Canadian delivered corn prices opened higher this morning. Corn futures were up sharply in the overnight trade as the combination of strong demand indicators and declining crop ratings worked together on the bullish side. USDA reported a 2% decline in the percentage of the crop rated Good to Excellent from last week's report, pegging this week at 66%.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		167.03 177.61	158.90 160.81	152.65 160.32	144.16 150.40	147.04 149.92	146.99 152.75	152.23 156.59	150.39 153.75	152.45 161.10
Maple Leaf Sig. #4		169.25 176.44	159.24 166.10	155.62 160.27	145.55 153.73	147.59 151.31	147.18 150.34	152.94 156.10	151.58 154.37	151.17 158.42
Soymeal Delivered	646	646	646	563	464	464				
Corn Delivered	288	293	293							

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