

Wednesday, July 17, 2013

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

US Slaughter	
399,000	Tuesday
399,000	Tuesday (year ago)
W. Corn Belt	\$97.45
National Price	\$101.86
Daily Sig 3	\$185.56
Daily Sig 4	\$187.82
Thunder Creek	\$187.76
4-Month Fwd.	\$159.98
#1 Export Sows (+500lbs) \$ 64.25 cwt.	
B of C Ex. Rate (Noon) \$1.0388CAD/\$0.9626 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 under pressure as packers attempt to control their operating margins by dropping their bids for live supplies. Hog numbers are at the tightest levels of the year, with yesterday's slaughter totaling 399,000 hogs. With fewer hogs comes less pork, but the tighter supply of wholesale cuts has yet to translate into higher prices. In fact, all of the primal cuts have come under pressure since the start of July, causing the carcass cut-out to lose about 5% of its value at a time when prices are normally stable. Despite the weakness in the cash market, deferred month futures have found support, gaining about \$2.00/cwt. over the last two weeks. The trade has been choppy as traders remain cautious in adding too much value to a timeframe that in recent years experiences the largest weekly slaughters of the year. However, increased talk of the impact of PED virus on the fall hog supply has been supportive. Producers looking for protection in the 4th Quarter of 2013, should consider setting targets \$2-\$4/ckg higher than current prices.

Canadian delivered soymeal prices opened higher this morning. The market remains focused on the short supply of beans for crushing, resulting in constant support for spot bean and meal prices. Profitable crush margins continue to provide an incentive for domestic crushers to delay a summer shutdown, making the soybean supply situation even tighter. For new crop prices, traders are citing drier conditions as cause for concern, having said that current crop conditions support at least average yields.

Canadian delivered corn prices opened higher this morning. Weather remains the predominant factor influencing prices, with traders citing the emergence of a cold front as a bearish factor. While temperatures are expected to drop into this weekend, the chance of widespread rain appears to be diminishing, which is supportive to prices at current levels.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		167.13 177.44	159.01 160.92	152.54 160.20	144.22 150.44	147.09 149.96	147.12 152.85	153.33 156.68	150.14 153.48	153.44 162.13
Maple Leaf Sig. #4		169.33 176.27	159.34 166.19	155.50 160.13	145.59 153.74	147.63 151.33	147.28 150.43	153.02 156.16	151.31 154.09	152.14 159.43
Soymeal Delivered	651	651	651	568	466	466				
Corn Delivered	288	293	293							

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