

Thursday, July 18, 2013

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

US Slaughter	
404,000	Wednesday
399,000	Wednesday (year ago)
W. Corn Belt	\$98.58
National Price	\$101.34
Daily Sig 3	\$188.38
Daily Sig 4	\$187.53
Thunder Creek	\$188.89
4-Month Fwd.	\$160.01
#1 Export Sows (+500lbs)	\$ 64.25 cwt.
B of C Ex. Rate (Noon) \$1.0425 CAD/\$0.9592 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 packer operating margins have come under pressure, resulting in lower cash bids from packers to finish this week. With the hog supply at its lowest level for the year, packers are hesitant to start chasing supplies by increasing cash bids, particularly while wholesale pork prices continue to erode. The pork carcass cut-out dropped below the benchmark of \$100/cwt., to its lowest level in a month, despite total production being relatively stable after it is corrected for holiday shortened slaughter weeks. Lean Hog futures are trading in the middle of their recent trading range of the last month. The market appears balanced with the bearish influence of the weaker cash market offsetting the larger than average discount the October and December contracts hold to the cash market. Producers looking for protection should consider setting targets moderately higher than current prices to take advantage of temporary price changes in either Lean Hogs or the Canadian Dollar.

Canadian delivered soymeal prices opened lower this morning. Soybean futures are settling in to the middle of their recent trading range with recent changes to the weather forecast providing a bearish influence. Portions of the Iowa and Missouri have received only modest rainfall over the last month, but rains forecast for this weekend are expected to address this region. The nearby soybean meal contract broke into new contract highs, reflecting the expectations of very tight supplies.

Canadian delivered corn prices opened lower this morning. Corn prices are starting out lower this morning after more weather forecasting models predict widespread rains and cooler temperatures ahead for much of the Cornbelt. With as much as 50% of the crop entering the critical pollination phase of development within a week, the improved weather outlook is taking new crop futures prices near contract lows.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		166.93 178.11	158.80 160.72	152.58 160.24	144.04 150.28	146.92 149.80	146.80 152.55	153.03 156.39	149.77 153.13	152.21 160.87
Maple Leaf Sig. #4		169.14 176.92	159.15 166.00	155.55 160.19	145.43 153.60	147.47 151.18	146.98 150.14	152.74 155.90	150.97 153.76	150.94 158.21
Soymeal Delivered	646	646	646	551	451	451				
Corn Delivered	288	293	293							

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