

Friday, July 19, 2013

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

US Slaughter	
403,000	Thursday
396,000	Thursday (year ago)
W. Corn Belt	\$99.23
National Price	\$100.99
Daily Sig 3	\$189.09
Daily Sig 4	\$186.35
Thunder Creek	\$189.07
4-Month Fwd.	\$159.70
#1 Export Sows (+500lbs) \$ 64.25 cwt.	
<b>B of C Ex. Rate (Noon)</b> \$1.0396 CAD/\$0.9619 USD	
<b>Cash Prices: Week Ending July 19, 2013</b>	
Signature 3	85.42/188.31
Signature 4	85.18/187.78
h@ms Cash	84.50/186.28
Hylife	/
Thunder Creek	86.41/190.50
ISO Weans	\$31.97 US Avg.
Feeder Pigs	\$50.43 US Avg.

**Forward contract prices opened mixed this morning.** US cash markets are trading steady to slightly lower this morning, with packers unable to find any added supplies to fill out their modest plans for Saturday slaughter. Hog slaughter is on pace for 2.03 million hogs this week, among the tightest levels of the year. Despite the tight supply, wholesale pork prices have dropped approximately 10% from their peak of nearly a month ago. Retailers may have switched their focus to featuring chicken or beef resulting in the softer wholesale prices. Lean Hog futures continue to trade at a steep discount to the cash market, with traders unwilling to factor in ideas of a lighter fall run of hogs due to the PED virus shaving numbers. The range of estimates of losses from the disease ranges from 1% - 4%, but no actual hog counts have been tallied, only the number of farms that have been infected. Producers without price protection should focus on September, as any positive impact of the virus on hog prices would likely be experienced in Oct – Dec.

**Canadian delivered soymeal prices opened lower this morning.** Precipitation for much of Iowa and Missouri is well below average levels for the last month, concerning some traders about the ability of the crop to meet ideas of trend line yields. Should widespread rain alleviate this dryness, Monday's trade could see significant weakness on new crop prices.

**Canadian delivered corn prices opened lower this morning.** Corn futures are factoring in ideas of 1 to 2 inches of rain over the central portion of the Cornbelt, that address current dry conditions. With prices already below the \$5.00/bushel benchmark for new crop, there may be potential for further weakness as conditions over the critical pollination phase of development remain favourable.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		166.71	158.62	152.40	143.56	146.43	146.91	153.13	149.82	151.93
		177.85	160.52	160.04	149.77	149.29	152.66	156.49	153.17	160.56
Maple Leaf Sig. #4		168.90	158.95	155.35	144.94	146.97	147.08	152.84	151.02	150.65
		176.64	165.77	159.97	153.07	150.67	150.24	155.99	153.80	157.89
Soymeal Delivered	641	641	641	537	451	451				
Corn Delivered	288	293	293							

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