

Monday, July 22, 2013

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

US Slaughter	
2.007 mil.	Last Week
1.961 mil.	Last Week (year ago)
W. Corn Belt	\$97.17
National Price	\$100.87
Daily Sig 3	\$184.58
Daily Sig 4	\$185.54
Thunder Creek	\$184.41
4-Month Fwd.	\$154.50
#1 Export Sows (+500lbs) \$ 64.25 cwt.	
B of C Ex. Rate (Noon) \$1.0363 CAD/\$0.9649 USD	
Cash Prices: Week Ending July 19, 2013	
Signature 3	85.42/188.31
Signature 4	85.18/187.78
h@ms Cash	84.50/186.28
Hylife	84.19/185.61
Thunder Creek	86.41/190.50
ISO Weans	\$32.84 US Avg.
Feeder Pigs	\$51.36 US Avg.

Forward contract prices opened mixed this morning. US cash markets are called steady to lower for trade early this week. US packers were protecting their operating margins last week as total slaughter came in only a few thousand hogs larger than the benchmark 2 million hogs, while cash bids eroded by almost \$3/cwt. across the reporting regions. Wholesale pork prices have dropped nearly 15% over the last month a trend that is a complete reversal from the previous month, and is driving live hog prices lower. The tight supplies should start providing some support to both cash and futures prices, but traders await this afternoon's release of the USDA Cold Storage report as an indication of demand. Futures prices would likely respond higher if the report shows pork supplies tighter than year ago levels, as supplies have been consistently larger than year ago levels for several months. Producers considering forward contracting should focus on the August – September timeframe, as hog supplies are expected to increase by more than 10% in the next 50 days.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher. Expected weekend precipitation in key growing areas was meagre relative to expectations adding support. The Crop Progress report will be released later today and a 2-3% revision lower in crop conditions is expected. There is evidence that the Chinese trade has turned toward South America for supplies as exports from Brazil were up 33.4% with Argentina up 56.6%; US exports were down 90% to China.

Canadian delivered corn prices opened higher this morning. US corn futures are trading lower. Wetter weather is forecast and adding pressure to new crop contracts despite the fact that it is was drier than expected over the weekend and remains so in Iowa, Missouri and Nebraska. There is talk that the global corn supply has been generally underestimated following the Argentine production estimate revision upward to 32.1 million tonnes. A decline by 2% in US crop conditions is expected to be announced later today.

Fixed Forward Range	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3		165.88	157.81	151.49	143.21	146.07	146.42	152.62	149.53	152.31
		165.88	159.70	159.10	149.40	148.92	152.14	155.96	152.87	160.94
Maple Leaf Sig. #4		168.08	158.15	154.44	144.58	146.60	146.59	152.32	150.71	151.02
		168.08	164.95	159.04	152.69	150.29	149.73	155.46	153.48	158.27
Soymeal Delivered	663	663	663	548	463	463				
Corn Delivered	290	292	295							

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