

Monday, July 29, 2013

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

US Slaughter	
1.988 mil.	Last Week
2.010 mil.	Last Week (year ago)
W. Corn Belt	\$99.72
National Price	\$100.18
Daily Sig 3	\$188.11
Daily Sig 4	\$182.99
Thunder Creek	\$188.64
4-Month Fwd.	\$151.92
B of C Ex. Rate (Noon)	
\$1.0291 CAD/\$0.9717 USD	
Cash Prices Week Ending July 26, 2013	
Signature 3	84.56/186.41
Signature 4	83.37/183.80
h@ms Cash	82.69/182.30
Hylife	82.55/182.00
Thunder Creek	84.96/187.30
ISO Weans	\$33.61 US Avg.
Feeder Pigs	\$53.04 US Avg.
#1 Export Sows (+500lbs)	\$ 67.50 cwt.

Forward contract prices opened lower this morning. Cash markets are expected to start the week steady to slightly lower with packers holding to a disciplined buying program amid tight operating margins. Last week's slaughter was estimated at 1.988 million hogs, possibly the smallest non-holiday slaughter week of the year. Cooler temperatures in the forecast combined with the normal trend of increasing supply in early August will likely result in more hogs at heavier weights being available to packers as early as this week, allowing them to add hours to their slaughter schedule. Lean Hog futures continue to trade in a choppy sideways trend, with technical indicators of a breakout consistently being rejected. In spite of this, the 'Fund' category of trader as reported on the Commitment of Traders report, has built their long position in Lean Hogs to the largest in almost two years. Producers looking for protection in the fall timeframe should focus on covering September production on any price rallies.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading mixed. Traders are expecting further volatility following the limit higher/limit lower moves last week. The market is anticipating (and looking for) a bottom in the soymeal trade and when one is established, traders expect a corrective bounce that will add support for beans. Nonetheless, the market is described as bearish moving forward with growing conditions more or less ideal in key areas following weekend showers.

Canadian delivered corn prices opened lower this morning. US corn futures are trading higher although the new crop trade is generally viewed as having a bearish bias. The weather forecast for new crop is described as positive for development and pollination, but the fact that progress is a little behind is supporting the trade; The Crop Progress report will be released after trading today. With temperatures dropping to the 40s (Fahrenheit) over the weekend in some areas, there is the beginning of talk of early frost among traders and analysts.

Fixed Forward Range	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3	163.42	155.40	149.10	140.41	143.24	143.64	150.74	145.81	148.18
	163.42	157.29	156.65	146.55	146.07	149.32	153.10	149.13	156.73
Maple Leaf Sig. #4	165.64	155.78	152.06	141.82	143.83	143.86	149.55	148.17	146.99
	165.64	162.54	156.64	149.87	147.49	146.98	152.66	149.82	154.17
Soymeal FOB Winnipeg	553	553	494	437	437	452			
Corn FOB Wpg.	260	262	264						

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