

Tuesday, July 30, 2013

**Forward contract prices opened lower this morning.** US cash markets are finishing the month on a lower trend with packers pulling back on their cash bids and hog runs, estimated at 355,000 head, are significantly smaller as a result. Producers are current with their marketings and have forced packers to pay up for the uncommitted hogs, but stagnant wholesale prices continue to restrain packer bids due to poor packer profitability. Cash bids fell by nearly \$3.00/cwt. in most regions yesterday, the lowest price paid since early June. Lean Hog futures were trading lower in the overnight session, and are opening \$0.60 to \$1.00/cwt. lower than yesterday's close. Traders are being influenced by weaker cash markets and by the lower trend in corn and soybean prices which may trigger an expansion in the hog supply due to improved profitability. The Canadian Dollar is trading in the middle of its 3 month trading range and moving higher as recent US economic and job data indicate slower than anticipated growth.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are trading mixed. A 'settling' of cash markets and a slight bounce is supporting the nearby contracts this morning. Deferred contracts have received some support following the Crop Progress report which saw overall Good/Excellent conditions decline 1 point from the previous week. The report also estimated 65% of the crop has bloomed vs. the 74% 5-year average. Nonetheless, conditions are generally good and traders eagerly anticipate the numbers for August, the most important month for production.

**Canadian delivered corn prices opened higher this morning.** US corn futures are trading higher. While technical indicators and a bearish Crop Progress report all suggest pressure for US corn contracts, the trade turned higher early this morning. There had been talk that an upturn would be coming soon from a technical perspective, particularly in the wake of the recent losses. Nevertheless, there is evidence of pollination in a large portion of the crop amid non-threatening temperatures and a forecast favourable to crop development. Funds hold record short positions and are calling for a bearish new crop market.

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

US Slaughter	
355,000	Monday
408,000	Monday (year ago)
W. Corn Belt	\$96.04
National Price	\$100.61
Daily Sig 3	\$180.64
Daily Sig 4	\$183.24
Thunder Creek	\$179.93
4-Month Fwd.	\$150.45
<b>B of C Ex. Rate (Noon)</b> \$1.0261 CAD/\$0.9745 USD	
<b>Cash Prices Week Ending July 26, 2013</b>	
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.

Fixed Forward Range	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3	161.50 161.50	153.94 155.36	147.20 154.78	139.28 145.44	142.12 144.97	142.34 148.01	148.49 151.80	145.12 148.43	147.39 155.92
Maple Leaf Sig. #4	163.80 163.80	153.92 160.69	150.25 154.84	140.75 148.82	142.76 146.43	142.60 145.71	148.28 151.39	146.39 149.14	146.22 153.38
Soymeal FOB Winnipeg	545	545	472	441	441	446			
Corn FOB Wpg.	266	268	270						

This information is intended to aid producers in making pricing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution of the HMO is prohibited without the authors' consent.



## FOR RENT

4025 square foot space in Headingley.  
New building, develop to your own specifications.  
For more information please call Perry Mohr  
204-235-2234 or 204-771-5066