

Thursday, August 01, 2013

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

**Forward contract prices opened mixed this morning.** US cash markets are starting the month of August with near steady bids; supplies remain tight, providing support, while wholesale pork prices are providing only slim margins for packers. Compared to last year, the pork carcass cut-out is valued \$8/cwt. higher than at the same time, but is following a similar price trend. This development has futures traders cautious about adding any value to the October and December futures contracts as the carcass values eroded \$16/cwt. over the month of August. The market has discounted the October futures contract by \$17/cwt. from the current cash market, in large part due to last year's price trend. However, supportive to the cash market in mid-October is the idea of tighter supplies due to PED virus related death loss, which could exceed 3% of the weekly slaughter at that time. As a result, producers should focus their forward contracting activity on the early September period, where cash prices are unlikely to benefit from tighter than expected supplies.

US Slaughter	
408,000	Wednesday
410,000	Wednesday (year ago)
W. Corn Belt	\$97.30
National Price	\$100.07
Daily Sig 3	\$183.47
Daily Sig 4	\$182.72
Thunder Creek	\$183.45
4-Month Fwd.	\$151.72

**B of C Ex. Rate (Noon)**  
\$1.0287 CAD/\$0.9721 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)  
\$ 71.00 cwt.

h@ms' Reminder - Maple Leaf Producer Meetings	
Swift Current - Credit Union i-plex	Today—Thursday Aug 1, 2013 - 2:00 PM
Saskatoon - Travelodge	Friday Aug 2, 2013 - Noon

**Canadian delivered soymeal prices opened mixed this morning.** US soybean futures are trading mixed. Old crop contracts remain supported by demand uncertainty while the new crop contracts are pressured by favourable weather forecasts. The critical production month of August is only in its first day and crop forecasts are already starting to emerge. A private forecaster has revised lower their previous US production estimate to 3.310 billion bu. using a 42.9 bu./acre yield; comparatively the USDA estimate is 3.420 billion using a 44.5 bu./acre yield.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower. While ethanol production was up over last year by 2.8%, it was down 2.5% last week and there is talk that the USDA may need to revise lower their estimate for ethanol corn demand. A private production estimate for the new crop was revised up to 14 billion bu. vs. the USDA estimate of 13.95 billion bu. Traders and analysts are looking ahead to August 12 when the WASDE, the Crop Progress and the (first 2013) Crop Production reports are released.

Fixed Forward Range	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3	163.01	154.97	148.87	140.26	143.11	143.77	149.95	146.53	148.71
	163.01	156.86	156.46	146.43	145.96	149.48	153.28	149.86	157.28
Maple Leaf Sig. #4	165.27	155.38	151.88	141.71	143.73	144.01	149.72	147.79	147.51
	165.27	162.16	156.48	149.80	147.41	147.14	152.85	150.55	154.71
Soymeal FOB Winnipeg	533	533	461	431	431	438			
Corn FOB Wpg.	264	266	268						

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