

Friday, August 02, 2013

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

US Slaughter	
413,000	Thursday
403,000	Thursday (year ago)
W. Corn Belt	\$99.40
National Price	\$99.99
Daily Sig 3	\$188.36
Daily Sig 4	\$183.48
Thunder Creek	\$188.07
4-Month Fwd.	\$152.78
<b>B of C Ex. Rate (Noon)</b>	
\$1.0338 CAD/\$0.9673 USD	
<b>Cash Prices Week Ending August 2, 2013</b>	
Signature 3	83.56/184.21
Signature 4	83.14/183.29
h@ms Cash	82.46/181.79
Hylife	n/a
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.

**Forward contract prices opened higher this morning.** US cash markets recovered most of what they lost earlier in the week as packers increased their bids by over \$2.00/cwt. in most regions. The trade has been choppy over the last couple of weeks suggesting that packers are uncertain about the direction of the pork market, or alternatively that there is inconsistency between packers in their view of the market. By historical measures, pork prices are performing well as the pork carcass cut-out is trading at a deficit to the trade in 2011, when China ramped up imports in an effort to contain food price inflation. However, traders of Lean Hog futures remain pessimistic as to the near-term direction of the cash market, as evidenced by the sharp discount that the October futures is trading to the current cash market is almost US\$17/cwt. The Canadian Dollar is starting the day 40 points lower, pressured by US employment data that showed a further improvement in employment figures, leading some traders to believe that the US Federal Reserve will wrap up its economic stimulus in the months ahead. **h@ms offices will be closed Monday August 5<sup>th</sup> and as a result there will be no HMO or Forward Contracting until business resumes Tuesday August 6<sup>th</sup>.**

h@ms' Reminder - Maple Leaf Producer Meetings	
Saskatoon - Travelodge	Today - Friday Aug 2, 2013 - Noon

**Canadian delivered soymeal prices opened mixed this morning.** US soybean futures are trading higher. Cumulative new crop export sales are at 38% (compared to a 26% 5-year average) and a private new-crop estimate of 43 bu./acre (compared to the USDA's 44.5 bu./acre estimate) is adding support. Nonetheless, the current weather forecast for crop development is ideal moving into September and there is talk that the large funds could soon be holding net short positions on soybean futures; the market is looking increasingly bearish amid good supply estimates.

**Canadian delivered corn prices opened higher this morning.** US corn futures are trading mixed. US corn is currently selling at a premium to the Ukraine and Black Sea variants adding pressure to nearby contracts. The deferred contracts are trading higher, a likely market correction after sessions of losses. There are private and public estimates of an approximate 13.9 billion bu. new crop with yields around 157 bu./acre. The International Grains council recently estimated the World's 2013/14 production at 942 million tonnes, a record number.

Fixed Forward Range	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3	164.34	156.73	149.92	141.15	144.01	144.65	150.86	146.98	149.00
	164.34	158.16	157.55	147.35	146.87	150.39	154.21	150.33	157.61
Maple Leaf Sig. #4	166.60	156.65	152.93	142.59	144.62	144.89	150.62	149.00	147.81
	166.60	163.47	157.55	150.72	148.32	148.03	153.77	151.03	155.03
Soymeal FOB Winnipeg	532	532	466	436	436	444			
Corn FOB Wpg.	264	268	269						

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