

Thursday, August 15, 2013

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

US Slaughter	
424,000	Wednesday
417,000	Wednesday (year ago)
W. Corn Belt	\$97.91
National Price	\$101.92
Daily Sig 3	\$185.25
Daily Sig 4	\$186.74
Thunder Creek	\$185.32
4-Month Fwd.	\$157.70
<b>B of C Ex. Rate (Noon)</b>	
\$1.0322 CAD/\$0.9688 USD	
<b>Cash Prices Week Ending August 9, 2013</b>	
Signature 3	85.63/188.77
Signature 4	84.10/185.40
h@ms Cash	83.42/183.90
Hylife	83.60/184.31
Thunder Creek	83.19/183.40
ISO Weans	\$35.82 US Avg.
Feeder Pigs	\$55.88 US Avg.
#1 Export Sows (+500lbs)	\$ 65.00 cwt.

**Forward contract prices opened mixed this morning.** US cash markets were weaker in yesterday's trade, pressured by higher availability of live supplies and carcass weights that are close to 2lbs heavier than the next heaviest year. The weekly slaughter is anticipated to increase by close to 50,000 hogs per week over the next month, which typically drives packer bids lower. This trend is so consistent that in every one of the last 13 years, the cash market has fallen over the 3 weeks from starting in mid-August. The average drop in history is approximately US\$8/cwt., but in the last two years, this lower trend has been near double the average. The remaining Lean Hog futures contracts for 2013 experienced a bullish move yesterday to take the October and December contract to within \$0.50/cwt. of their contract highs. The futures were supported by the firm cash market which typically would start to see weakness by this time of year and by the large discount that these contracts are trading at to the cash market. Producers without protection should look to cover some of their production for the late September/early October period at current prices.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are trading higher. Support comes from an anticipated late demand for the 2013/14 marketing year, current strength in new crop sales and a premium due to weather risk. There is increased talk of a cooler weather forecast for August/September coupled with current dry conditions in some areas. Record crop estimates in South America and the sale of 198,976 MT of beans from state supplies in China are adding modest pressure.

**Canadian delivered corn prices opened higher this morning.** US corn futures are trading higher. As with soybeans, current dry conditions and talk of early frost is adding support while a major tropical weather event could delay harvest in areas of the southeast delta. As well basis is strengthening near ethanol plants. Analysts are still talking of a bearish bias in new crop futures but forecast weather, a lowered Argentine acreage estimate, and a lowered EU production estimate is limiting the downside.

Fixed Forward Range	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3		162.81 164.71	156.52 164.13	147.16 153.34	150.02 152.87	148.94 155.62	156.10 158.48	150.18 153.52	152.17 158.85	160.32 167.96
Maple Leaf Sig. #4		163.72 167.79	159.31 164.10	148.40 156.51	150.43 154.11	149.96 153.10	156.06 157.53	151.34 154.12	150.87 157.17	159.60 167.18
Soymeal Winnipeg Delivered	553	553	529	461	461	468				
Corn Wpg Delivered	264	266	268	199						

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