

Wednesday, August 21, 2013

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

US Slaughter	
429,000	Tuesday
427,000	Tuesday (year ago)
W. Corn Belt	\$93.36
National Price	\$100.07
Daily Sig 3	\$177.56
Daily Sig 4	\$184.30
Thunder Creek	\$177.37
4-Month Fwd.	\$153.70
B of C Ex. Rate (Noon)	
\$1.0376 CAD/\$0.9637 USD	
Cash Prices Week Ending August 16, 2013	
Signature 3	84.26/185.75
Signature 4	84.54/186.37
h@ms Cash	83.86/184.87
Hylife	83.80/184.74
Thunder Creek	85.78/189.10
ISO Weans	\$37.87 US Avg.
Feeder Pigs	\$55.26 US Avg.
#1 Export Sows (+500lbs)	\$ 67.00 cwt.

Forward contract prices opened mixed this morning.

US packers have an abundance of live hog supplies available to them, the biggest factor influencing cash prices today. In spite of the hog supply increasing approximately 5% over the last two weeks, packers have been competing for the increases, a supportive feature to the cash market. However, some wholesale cuts such as loins and bellies have experienced weakness and is pressuring packer profitability. The October Lean Hog futures is trading at relatively large \$13/cwt. discount to the cash index, reflecting the anticipated increase in supply. However, the nearby contracts could come under pressure if technical indicators start reflecting a more bearish trend as the record large long fund position could be at risk of being sold off. Producers wishing to cover some of their October-December price risk should view current prices as fair value, given that cash prices have fallen in the last two years by an average of \$18/cwt. over the next 3 week period.

Canadian delivered soymeal prices opened higher this morning.

US soybean futures are trading higher. August is a critical month for soybean development with new weather and crops information influencing the trade daily. Reports from the first day of the Pro Farmer tour nudged markets lower yesterday on news of above average yields. However, there is talk that Iowa and Illinois (top producing states) are experiencing persistent dryness. Soil moisture replenishment remains an issue for pod development.

Canadian delivered corn prices opened higher this morning.

US corn futures are trading higher. Crop progress on Monday was lowered to 61% from 64% the week previous; the lower end of market expectations. Persistent dryness in key growing areas is supporting the new crop trade. A combination of heat and moisture is needed now, but little rain is forecast for the next 7-10 days in key areas. On the tour, there is talk that top yield estimates could be lowered because kernels aren't developing to the end of the ear (a condition referred to as 'tip back').

Fixed Forward Range	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3		161.69 162.17	154.84 162.52	145.78 152.02	148.66 151.54	148.00 154.73	155.21 157.61	150.06 153.42	152.15 158.89	161.17 168.87
Maple Leaf Sig. #4		161.67 162.23	157.75 165.59	147.12 155.30	149.16 152.88	149.09 152.26	155.24 156.73	151.27 154.06	150.88 157.22	160.45 168.09
Soymeal Winnipeg Delivered	539	539	536	492	492	497				
Corn Wpg Delivered	266	268	270	204						

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