

Friday, August 30, 2013

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

**Forward contract prices opened higher this morning.** US cash markets experienced a weaker trend over the course of the week, with the growth in hog supplies outpacing the increases in packers' production schedules. Last year, hog producers were contending with a sharp rise in feed costs, which influenced them to market animals earlier and at a lighter weight resulting in a sharp decline in cash bids. This year, hog weights are up by more than 5 lbs., while the weekly slaughter has been running about 2.5% smaller. At this time last year, Canadian cash prices had fallen to under \$140/ckg, close to \$30/ckg lower than this year's prices, in response to the heavy supply. Lean Hog futures gained value yesterday, providing a good hedging opportunity for those producers looking to add protection in the next 3 months. Producers are reminded that due to the Labour Day holiday, trading and forward contracting is suspended for Monday September 2, 2013. The h@ms Marketing Services office will also be closed, but resume normal business hours and operations on Tuesday September 3, 2013.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading mixed. The nearby contract remains supported by tight old crop supplies and export sales slightly ahead of the 5-year average. Deferred contracts are pressured by forecast rain for eastern Corn Belt and some showers to the west. Tropical storm activity will be monitored in the weeks ahead but might be too late for this crop. There is talk that China will move from a stock-piling program to a direct-subsidy program (designed to increase planted acreage) which could impact demand from this very important marketplace.

**Canadian delivered corn prices opened lower this morning.** US corn futures are trading lower. ECB looks to be the main beneficiary from rain this weekend but with about only ¼ of an inch being forecast; areas to the west are expecting showers and temperatures across the board are expected to fall somewhat, limiting crop stress. Export demand from Southeast Asia is being challenged by competition from cheaper corn available elsewhere. China is accepting almost all Argentine GMO variants with only one more variety expected to be approved.

US Slaughter	
429,000	Thursday
429,000	Thursday (year ago)
W. Corn Belt	\$87.19
National Price	\$94.06
Daily Sig 3	\$168.23
Daily Sig 4	\$175.74
Thunder Creek	\$168.02
4-Month Fwd.	\$157.03
<b>B of C Ex. Rate (Noon)</b>	
\$1.0526 CAD/\$0.9500 USD	
<b>Cash Prices Week Ending August 30, 2013</b>	
Signature 3	77.48/170.81
Signature 4	80.99/178.56
h@ms Cash	80.31/177.06
Hylife	79.91/176.18
Thunder Creek	79.83/176.00
ISO Weans	\$38.02 US Avg.
Feeder Pigs	\$55.84 US Avg.
#1 Export Sows (+500lbs)	\$ 62.00 cwt.

Fixed Forward Range	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #3		158.625	150.00	152.90	151.56	158.83	153.40	155.67	165.24	169.61
		166.37	156.29	155.81	158.35	161.26	156.80	162.48	173.01	175.44
Maple Leaf Sig. #4		161.48	152.57	153.32	152.59	158.79	154.56	154.32	164.43	168.20
		166.36	159.51	157.07	155.78	160.29	157.38	160.72	172.15	171.58
Soymeal Winnipeg Delivered	616	508	516	516	520					
Corn Wpg Delivered	279	281	204							

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