

Thursday, September 05, 2013

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

US Slaughter	
432,000	Wednesday
436,000	Wednesday (year ago)
W. Corn Belt	\$90.05
National Price	\$91.84
Daily Sig 3	\$173.02
Daily Sig 4	\$170.88
Thunder Creek	\$173.26
4-Month Fwd.	\$159.28
B of C Ex. Rate (Noon) \$1.0482 CAD/\$0.9540 USD	
Cash Prices Week Ending August 30, 2013	
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	\$38.86 US Avg.
Feeder Pigs	\$55.95 US Avg.
#1 Export Sows (+500lbs)	\$ 59.00 cwt.

Forward contract prices opened higher this morning. US cash markets are defying the normal cash market trend for this time of year, with packers adding more than \$1.00/cwt. to early week bids. Packers have been willing participants in this recent rally as wholesale pork prices have improved approximately \$1.00/cwt. higher since last week. Adding to the bullish theme are Lean Hog futures which have broken through contract highs in the nearby contracts. While it is difficult to find a fundamental rationale for the recent breakout higher, the possibility of a reduced supply due to the PED virus may have some broad influence on the projected supply over this timeframe. Current forward contract prices reflect good value after the recent strength in the Lean Hog futures and a Canadian Dollar that is within one cent of its 1 year lows.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading mixed. Yield estimates currently range between 39 (private) and 42.6 (USDA) bpa implying production between 2.98 billion and 3.255 billion bu.; comparatively, last year's drought influenced a 39.6 bpa yield with 3.015 billion bu. of production. Parts of Iowa and Illinois are forecasted for rain but with a low probability. Traders are looking forward to the next Crop Production report scheduled to be released September 12. Harvesting has begun in the delta.

Canadian delivered corn prices opened higher this morning. US corn futures are trading lower. Pressure comes from talk that early frost fears have been pushed back due to unseasonably high temperature forecasts and bearish technical indicators. Private estimates ahead of the Crop Production report range between yields of 151.6 and 156.4 bpa with production estimates between of 13.33 billion and 13.942 billion bu. The UN has raised its coarse grains outlook 14 million tonnes to 2.492 billion tonnes based on strong production estimates from Argentina, the EU and the Ukraine.

Fixed Forward Range	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #3		163.01 170.74	153.16 159.44	156.06 158.95	153.76 160.54	161.02 163.44	153.70 157.09	156.50 163.31	164.83 172.62	169.21 175.05
Maple Leaf Sig. #4		165.71 170.57	154.30 162.53	156.36 160.10	154.71 157.90	160.90 162.40	154.84 157.65	155.13 161.54	164.05 171.78	167.82 171.21
Soymeal Winnipeg Delivered	640	500	510	510	516	504				
Corn Wpg Delivered	284	286	204							

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