

Friday, September 06, 2013

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

US Slaughter	
431,000	Thursday
434,000	Thursday (year ago)
W. Corn Belt	\$89.79
National Price	\$91.92
Daily Sig 3	\$172.81
Daily Sig 4	\$171.31
Thunder Creek	\$172.64
4-Month Fwd.	\$158.54
B of C Ex. Rate (Noon)	
\$1.0500 CAD/\$0.9523 USD	
Cash Prices Week Ending September 06, 2013	
Signature 3	77.74/171.38
Signature 4	78.21/172.43
h@ms Cash	77.53/170.93
Hylife	n/a
Thunder Creek	77.07/169.90
ISO Weans	\$38.86 US Avg.
Feeder Pigs	\$55.95 US Avg.
#1 Export Sows (+500lbs)	\$ 59.00 cwt.

Forward contract prices opened lower this morning. US cash markets are expected to finish the week close to where they started as the price trend began higher early, but lost value late in the week. US packers were willing to bid up the cash market as the price of wholesale pork was near steady, and packers looked to expand their production schedule which was estimated at over 430,000 hogs per day. Compared to last year, cash prices are performing very well, now trading at more than \$15/cwt. premium over the same date last year. Lean Hog futures are also reflecting the optimism in the cash market, with the October trading at only a modest discount to the cash index, inferring that traders believe that cash prices will be near the same levels in a month when the contract expires. Producers without protection on the books for the early winter months should view this week's rally as a good pricing opportunity.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading mixed. A rebound in the overnight and early morning sessions has been attributed in part to technical trading and short covering amid much uncertainty ahead of next week's WASDE report. While the US crop is still poised to show near record production levels, deteriorating crop conditions due to heat-related stress has the trade anticipating lower yields and production levels in next week's report. USDA Crop Production numbers will also be released on September 12.

Canadian delivered corn prices opened even this morning. US corn futures are trading mixed. A 3-7 day weather Hazards Outlook shows 'Much Above Normal Temperatures' heading into the weekend for critical growing areas in the Corn Belt. However, as the harvest ramps up, the weather's effect on price, aside from notable weather-related harvest delays, becomes less of a factor. US corn has passed many critical development stages and there are current private yield estimates 1-2 bpa higher than the USDA's August 154.4 bpa estimate.

Fixed Forward Range	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #3		161.15 168.79	151.41 157.62	154.28 157.14	153.04 159.74	160.22 162.61	153.38 156.73	155.77 162.49	163.87 171.56	168.19 173.96
Maple Leaf Sig. #4		163.82 168.63	152.54 160.68	154.58 158.27	153.94 157.10	160.06 161.55	154.46 157.24	154.37 160.70	163.06 170.69	166.78 170.13
Soymeal Winnipeg Delivered	639	507	518	518	523	512				
Corn Wpg Delivered	284	286	204							

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