

Tuesday, September 10, 2013

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

**Forward contract prices opened mixed this morning.** US cash markets started this week with higher bids as summer-like heat and humidity are present across much of the Corn Belt, which is impacting the delivery schedule of market hogs compared to past year. Yesterday's slaughter was estimated at 417,000 hogs, down close to 20,000 hogs compared to year ago levels. Packers have been willing to increase their cash bids in an effort to fill out their expanded kill schedule, a feature that is not typically seen in early September. The support seen in the cash market has been a primary factor in the futures, with gains in the nearby contracts being made for the last 5 trading days. With the commercial category of traders holding a near record net-short position, the market may find more short term support if this group of traders decides to buy out of their unprofitable short position. Producers that already have a portion of their winter price risk covered might consider setting 'opportunistic' targets at levels \$10/ckg higher than current forward prices.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading lower. The weather continues to influence a bullish tone over the market with temperatures nearing 100°F in Iowa and Nebraska. However, news that crop conditions declined less than expectations has triggered some profit taking. There is talk that a lower global production could be offset by a strong Brazilian crop and further talk that the market is adjusting accordingly to expected decreases in US yield and production.

**Canadian delivered corn prices opened even this morning.** US corn futures are trading lower. While high temperatures in the WCB could shrink yield expectations, the heat is speeding up crop maturity and easing worries of an early frost. New crop export data was weak for the first week reporting 2013/14 sales, also adding pressure. There is talk that the market has adjusted accordingly to pre-market estimates, given the range within and the difference between August and September yield and production estimates, ahead of this Thursday's reports.

US Slaughter	
417,000	Monday
436,000	Monday (year ago)
W. Corn Belt	\$91.24
National Price	\$92.33
Daily Sig 3	\$173.36
Daily Sig 4	\$169.88
Thunder Creek	\$173.20
4-Month Fwd.	\$159.59
<b>B of C Ex. Rate (Noon)</b>	
\$1.0366 CAD/\$0.9647 USD	
<b>Cash Prices Week Ending September 06, 2013</b>	
Signature 3	77.74/171.38
Signature 4	78.21/172.43
h@ms Cash	77.53/170.93
Hylife	77.57/171.02
Thunder Creek	77.07/169.90
ISO Weans	\$38.21 US Avg.
Feeder Pigs	\$56.23 US Avg.
#1 Export Sows (+500lbs)	\$ 65.00 cwt.

Fixed Forward Range	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #3		162.09 169.70	153.05 159.23	155.90 158.76	153.16 159.84	160.32 162.71	152.46 155.80	154.69 161.38	162.53 170.18	166.84 172.58
Maple Leaf Sig. #4		164.70 169.49	154.11 162.21	156.13 159.82	154.05 157.19	160.15 161.63	153.55 156.32	153.31 159.61	161.74 169.34	165.45 168.78
Soymeal Winnipeg Delivered	616	497	510	510	515	504				
Corn Wpg Delivered	263	265	196							

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