

Friday, September 13, 2013

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

US Slaughter	
431,000	Thursday
432,000	Thursday (year ago)
W. Corn Belt	\$94.92
National Price	\$93.48
Daily Sig 3	\$179.56
Daily Sig 4	\$171.23
Thunder Creek	\$179.19
4-Month Fwd.	\$159.81
B of C Ex. Rate (Noon) \$1.0320 CAD/\$0.9689 USD	
Cash Prices Week Ending September 13, 2013	
Signature 3	79.40/175.05
Signature 4	77.23/170.27
h@ms Cash	76.55/168.77
Hylife	n/a
Thunder Creek	78.34/172.70
ISO Weans	\$38.21 US Avg.
Feeder Pigs	\$56.23 US Avg.
#1 Export Sows (+500lbs)	\$ 65.00 cwt.

Forward contract prices opened higher this morning. Lean Hog futures are trading mixed to higher amid cash prices that continue to show strength, countering seasonal trends. ISM, WCB and National reporting regions all improved yesterday with a positive influence on the Canadian cash prices. There are a number of factors contributing to this counter-seasonal support. The hog slaughter for the last two weeks is down close to 5% relative to last year with the recent heat wave impacting both hog numbers and weights. In addition, there are ideas that the impact of the PED virus is already being felt in the available hog supply, a feature that many believe to be understated. Evidence for or against its impact will be confirmed or denied in the Quarterly Hog and Pigs report scheduled for release on September 27. Producers looking for protection in the fall/winter months should consider current offers as fair value in a historical context, but market uncertainty appears to favour further gains rather than losses.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading lower this morning amid a 'market correction' due to, in part, the rally that followed the release of the WASDE and Crop Production reports yesterday. The USDA reported low pod counts but high weights which is adding further uncertainty and talk that the October estimates will again be lowered. Yesterday, September estimates were lowered to 41.2 bpa, 3.149 billion bu. in production and 150 million bu. for ending stocks which were at the lower end or within analysts' average estimates, adding support to the complex.

Canadian delivered corn prices opened lower this morning. US corn futures are trading lower. Yesterday's reports had a bearish influence on the trade as bushels per acre, production and ending stocks were estimated higher than August estimates, and also higher than the analysts' average estimates (155.3 bpa, 13.843 billion bu. in production, 1.855 billion bu. for ending stocks). As well, uncertain export demand and the current harvest underway is adding pressure this morning.

Fixed Forward Range	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #3		162.22 169.81	153.30 159.47	156.14 158.99	153.56 160.21	160.69 163.06	152.66 155.99	155.21 161.89	163.70 171.34	168.00 173.73
Maple Leaf Sig. #4		164.81 169.59	154.33 162.42	156.35 160.03	154.41 157.54	160.48 161.95	153.72 156.49	153.81 160.10	162.87 170.45	166.57 169.89
Soymeal Winnipeg Delivered	610	555	532	532	531	524				
Corn Wpg Delivered	241	243	192							

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HWY #6 AND RD 236

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