

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

US Slaughter	
425,000	Wednesday
407,000	Wednesday (year ago)
W. Corn Belt	\$77.07
National Price	\$79.16
Daily Sig 3	\$186.24
Daily Sig 4	\$185.24
Thunder Creek	\$186.01
4-Month Fwd.	\$ 143.49
<b>B of C Ex. Rate (Noon)</b>	
\$1.3183 CAD/ \$0.7586 USD	
<b>Cash Prices Week Ending August 01, 2015</b>	
Signature 3	180.09/81.69
Signature 4	180.91/82.06
h@ms Cash	178.59/81.01
Hylife	179.19/81.28
Thunder Creek	179.70/81.51
ISO Weans	\$20.45 US Avg.
Feeder Pigs	\$39.95 US Avg.
#1 Export Sows (Tagged)	\$45.00 cwt. (+500lbs.)

**Forward contract prices opened mixed this morning.** US cash markets are trading firm this week, as packers have benefitted from strong profit margins and have an incentive to maximize their capacity. Improved consumer demand for pork products has been the driver for the recent increases, as hog supplies are actually higher than they were 3 weeks ago when wholesale pork prices were struggling to maintain steady values under abundant supplies. Recently gains in the pork cut-out have come from Hams, Bellies and Picnics, all of which are largely destined for further processing. However, over the last year, the relative value of each of these cuts has changed significantly, with Belly prices up 20% and Ham prices down 55% from year ago levels. Part of the discrepancy in values can be explained by what proportion of the supply goes to export sales. Pork exports in June struggled to make gains over year ago levels, with Mexico and Korea being the only countries that bought more than in June 2014. While there has been a lot of speculation on the potential for export growth in China, June sales were down 5% from last year, reflecting the impact of the strong US Dollar. Overall, export sales are up 1% from last year's numbers, which is well short of what is needed this fall to clear the market of the anticipated heavy supply.

**Canadian delivered soymeal prices opened lower this morning.** The past three sessions of gains came to an end this morning, seemingly finding some stability after previously falling since mid-July. The volatility stems from uncertain supply factors and competition from major suppliers like Argentina. However, there is talk of eminent support as downgrades to US yield estimates are expected in next Wednesday's WASDE report; pre-report estimates range between 43.7 and 45.5 bpa, down from the USDA's current 46.0 bpa. Soy oil is under pressure from low palm oil prices, while meal is supported on strong feed demand.

**US corn futures opened lower this morning.** There is talk that the USDA will publish national corn yield estimates between 161.6 and 167.5 bpa in Wednesday's report. Interestingly, 167.5 bpa is higher than the USDA's current 166.8 bpa estimate, based largely on ideal conditions in the northern and western areas of the WCB that could generate record yields. However, poorer conditions in the ECB could lower national averages and there is talk that many analysts believe the USDA will ultimately lower national yield. Damage could be minimal though as only ~20% of US corn is produced in the ECB.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3		152.62 159.26	139.55 153.27	130.49 136.53	135.92 140.15	135.92 148.28	151.91 154.92	150.46 155.29	158.30 165.15	169.97 178.40
Maple Leaf Sig. #4		155.51 166.74	145.42 157.19	136.30 142.38	140.74 144.49	140.74 149.67	153.41 156.69	154.46 157.27	160.54 165.99	169.14 177.54
Soymeal Winnipeg Delivered	545	528	510	508	508	504				
Corn	Local delivered price available on request									

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