

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

US Slaughter	
423,000	Tuesday
410,000	Tuesday (year ago)
W. Corn Belt	\$74.29
National Price	\$79.14
Daily Sig 3	\$179.04
Daily Sig 4	\$184.68
Thunder Creek	\$179.12
4-Month Fwd.	\$ 134.70
B of C Ex. Rate (Noon)	
\$1.3148 CAD / \$0.7606 USD	
Cash Prices Week Ending August 08, 2015	
Signature 3	182.31/82.70
Signature 4	183.96/83.44
h@ms Cash	180.81/82.01
Hylife	182.37/82.72
Thunder Creek	179.90/81.60
ISO Weans	\$21.55 US Avg.
Feeder Pigs	\$38.67 US Avg.
#1 Export Sows (Tagged)	\$47.00 cwt. (+500lbs.)

Forward contract prices opened higher this morning. US cash markets are struggling to make gains, even as wholesale pork prices have been trading firm and at their highest levels in 9 months. Packers have been very disciplined in their buying programs, partly due to the expectation of heavy supplies coming and an unwillingness to grow inventory at current prices. The result has been very profitable operating margins which have yielded more than \$30/pig for the last two weeks. The market's ability to digest the coming heavy supply is partly contingent on export sales, which help to clear the market of excess inventory. Many traders have been holding on to the idea that China would step in and buy significant quantities this fall to meet a shortfall in its own domestic production. However, some traders are re-evaluating the impact of exports to China after yesterday's announcement that the People's Bank of China devalued their currency against the US dollar by approximately 2%, for the first time in 20 years. The weaker Renminbi (China's currency), makes US exports less competitive in China versus the rest of the world, which could negatively impact pork exports.

Canadian delivered soymeal prices opened lower this morning. The weather and the WASDE report are the two prominent market factors this morning. Interestingly, they are likely influencing the market in opposing ways. Rain is forecast to move into critical US growing areas alleviating previous fears that dryness could curb development potential, a bearish influence. Yield, production and ending stocks are widely expected to come in lower than July WASDE report estimates, potentially adding support. The WASDE report will be released mid-trade today, at noon, Eastern.

US corn futures opened higher this morning. Corn has recovered from yesterday's turn lower in what many believe to be pre-report positioning ahead of today's WASDE report. However, the news is mostly bearish for corn; the weather has turned more favourable at this stage in development, the high USD is making exports less competitive internationally, and while China is not the USA's largest corn importer, news that the country devalued its currency effectively means US corn just got more expensive for Chinese buyers, and implies China is actively trying to mitigate a potential economic downturn.

August WASDE Report New Crop Estimates (bn bu.)

		July	Range	Avg.
Soy	Yield (bpa)	46.0	43.2-45.7	44..7
	Production	3.885	3.57-3.80	3.725
	End Stocks	0.425	0.210-0.402	0.301
Corn	Yield (bpa)	166.8	160.4-167.7	164.5
	Production	13.530	13.0-13.8	13.330
	End Stocks	1.60	1.18-1.63	1.42

Source: DLR, USDA

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3		143.02 144.80	133.07 143.67	124.13 130.09	129.49 133.66	129.49 142.10	145.67 148.65	147.51 152.27	155.25 164.08	170.65 180.28
Maple Leaf Sig. #4		146.10 151.87	139.01 147.78	130.01 136.01	134.39 138.09	134.39 143.60	147.30 150.52	151.49 154.26	157.49 164.95	169.80 178.19
Soymeal Winnipeg Delivered	532	532	500	496	496	497	499			
Corn	Local delivered price available on request									

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