

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

US Slaughter	
427,000	Thursday
406,000	Thursday (year ago)
W. Corn Belt	\$76.65
National Price	\$78.74
Daily Sig 3	\$183.75
Daily Sig 4	\$182.77
Thunder Creek	\$183.53
4-Month Fwd.	\$ 139.23
<b>B of C Ex. Rate (Noon)</b>	
\$1.3078 CAD / \$0.7646 USD	
<b>Cash Prices Week Ending August 15, 2015</b>	
Signature 3	179.67/81.50
Signature 4	183.35/83.17
h@ms Cash	178.17/80.82
Hylife	n/a
Thunder Creek	182.30/82.69
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 were higher in trade yesterday, extending the trend of gains from earlier this week. A strong pork cut-out over the last two weeks has provided the support required to give packers the rationale to add to their cash bids. The pork cut-out, the aggregate value of all of the primal cuts, has made gains largely due to a sharp rally in pork belly prices and firmer ham values. It is a normal trend for this time of year to have these cuts trade firm, but the expectation of abundant hog supplies coming over the next two months will likely limit further gains. October and December Lean Hog futures are trading at a large discount to the cash market, reflecting the market's expectation of the weekly hog slaughter increase to over 2.2 million hogs over the next two weeks. Producers without protection in the Sep-Dec timeframe should consider setting a flatted target of \$140/ckg over this period to protect against the chance of further losses relating to the heavy supply that is anticipated.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading lower. The soybean market is still attempting to find its footing after the surprise announcement by the USDA that saw yield, production and ending stocks numbers all surpass last month's report and market expectations. Pressure this morning comes from weather forecasts that could aid in crop development, further supporting the notion of high yields at harvest. Lacklustre new crop sales are also pressuring. Local meal dropped ~\$25 CAD/MT across all offered contracts initially but has since settled around \$515 CAD/MT for an August spot.

**US corn futures opened higher this morning.** Strength in US corn follows an initial drop that stemmed from Wednesday's WASDE report. Like soybeans, yield, production and ending stocks estimates all exceed market

August WASDE Report - Estimates v. Results (bil. bu.)					
		July	Range	Avg.	WASDE
Soy	Yield (bpa)	46.0	43.2-45.7	44.7	46.9
	Production	3.885	3.57-3.80	3.725	3.916
	End Stocks	0.425	0.210-0.402	0.301	0.470
Corn	Yield (bpa)	166.8	160.4-167.7	164.5	168.8
	Production	13.530	13.0-13.8	13.330	13.686
	End Stocks	1.60	1.18-1.63	1.42	1.71

expectations. Until harvest, the weather will be closely watched and likely influence market activity. WCB conditions have been good and the ECB 'only' contributes about 20% to US production, but adjustments to weather models now see the ECB under caution and there is some trepidation accepting the 2 bpa rise in national yield estimates by the USDA. A lot can happen between now and harvest.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3		149.78 151.57	136.53 150.45	127.57 133.55	132.95 137.13	132.14 141.74	145.34 148.34	144.43 149.23	151.94 157.88	164.30 173.81
Maple Leaf Sig. #4		152.67 158.45	142.39 154.37	133.37 139.38	137.76 141.46	136.33 143.30	147.02 150.27	148.58 151.37	154.62 158.87	163.59 171.88
Soymeal Winnipeg Delivered	514	514	480	476	476	479	478			
Corn	Local delivered price available on request									

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STRENGTH IN NUMBERS

