

Monday, August 17, 2015

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

Forward contract prices opened higher this morning. US cash markets continue to see support despite the large hog volumes, and subsequent pork production, making its way to market. All reporting regions indicate strength to start the week with ISM and WCB regions showing prices \$0.60+ USD/cwt. higher and National coming in \$0.21 higher than Friday. This is counter-seasonal for this time of year but as packers remain profitable, there is some talk beginning that supermarket chains may be starting to put in orders for Labour Day specials and that packers are responding to the demand and taking advantage of their profitable position. However, slaughter levels remain high; 2.218 head were processed last week, up 10% over last year producing 464.9 million lbs. of pork, an 8.5% increase. There is talk that the October lean hog futures contract is discounted a little too steeply even though the contract has closed higher over the past 4 sessions. However, the discount is a reflection of sentiment in the marketplace where traders anticipate large volumes nearing the end of the year.

Canadian delivered soymeal prices opened mixed this morning. US soybean futures are trading higher. Weather forecasts showing rain in principle growing regions are thought to pressure the trade later on in the week amid expectations of good crop development. The WCB is pegged for up to 3 inches and the ECB up to an inch. Western and northern growing regions could see exceptional yields, potentially bringing up the national average and adding pressure. Some crop tours this week are expected to bring a bit more detail to USDA information.

US corn futures opened lower this morning. US corn continues to trade lower following the bearish WASDE report released on August 12th as well as some good weather for the Corn Belt that, like soybeans, is expected to aid in crop development. In a refrain that is starting to sound repetitive, meagre demand the US corn is a function of the high USD and some poor economic global outlooks, ultimately curbing the demand and putting pressure on the US trade. Traders will be looking for an uptick in demand or a turnaround in the weather for support.

| US Slaughter | |
|----------------------------------------------------|----------------------|
| 2.218 mil. | Last Week |
| 2.016 mil. | Last Week (year ago) |
| W. Corn Belt | \$77.28 |
| National Price | \$78.95 |
| Daily Sig 3 | \$185.26 |
| Daily Sig 4 | \$183.27 |
| Thunder Creek | \$185.15 |
| 4-Month Fwd. | \$ 140.41 |
| B of C Ex. Rate (Noon) | |
| \$1.3078 CAD / \$0.7646 USD | |
| Cash Prices Week Ending August 15, 2015 | |
| Signature 3 | 179.67/81.50 |
| Signature 4 | 183.35/83.17 |
| h@ms Cash | 178.17/80.82 |
| Hylife | 181.68/82.41 |
| Thunder Creek | 182.30/82.69 |
| ISO Weans | \$21.06 US Avg. |
| Feeder Pigs | \$32.54 US Avg. |
| #1 Export Sows (Tagged) \$47.00 cwt. (+500lbs.) | |

| Fixed Forward Range (at opening) | Aug | Sep | Oct | Nov | Dec | Jan | Feb | Mar | Apr | May |
|----------------------------------|--------------------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Maple Leaf Sig. #3 | | 151.02 151.02 | 139.01 151.60 | 129.99 136.01 | 135.40 139.62 | 135.12 144.71 | 149.89 153.15 | 150.40 154.19 | 157.44 162.68 | 166.73 175.06 |
| Maple Leaf Sig. #4 | | 153.93 156.03 | 144.87 155.54 | 135.78 141.84 | 140.21 143.94 | 139.21 146.18 | 149.89 153.15 | 148.58 151.37 | 154.62 158.87 | 163.59 171.88 |
| Soymeal Winnipeg Delivered | 510 | 510 | 498 | 489 | 489 | 486 | 487 | | | |
| Corn | Local delivered price available on request | | | | | | | | | |

This information is intended to aid producers in making marketing decisions. Opinions given do not guarantee any future events or performance. Any unauthorized distribution (including email forwarding) of the HMO is strictly prohibited.



Some Important Contact Numbers:

Main Office - 204-233-4991
Toll Free - 1-800-899-7675
Logistics (Crystal) - 204-235-2225
Risk Management - 204-235-2237

STRENGTH IN NUMBERS

