

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

US Slaughter	
425,000	Monday
424,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$81.27
National	\$84.20
Iowa/S. MN.	\$81.38
Signature 3	\$194.82
HyLife	\$191.94
TCP/Britco	\$194.65
Sig 3 4-Month Fwd.	\$ 161.41
BoC Rate (Noon) prev. day \$1.3078 CAD / \$0.7646 USD	
Cash Prices Week Ending June 25, 2016	
Signature 3	191.85/87.02
h@ms Cash	190.35/86.34
HyLife	188.16/85.35
TCP/Britco	189.40/85.91
ISO Weans	\$20.27 US Avg.
Feeder Pigs	\$46.53 US Avg.
#1 Export Sows (+500lbs.)	\$40.00/cwt. (Tagged)

Forward contract prices opened mostly higher this morning.

US cash markets started this week with lower cash bids as wholesale pork prices came under pressure, subsequently squeezing packer operating margins. While last week's hog slaughter declined from year ago levels, it has been on a relatively steady trend and exceeded year ago levels for the last month. The USDA Hogs and Pigs report forecasts the hog supply to be up 1% over year ago levels in the summer months, which will require increased pork exports in order to clear the market. The report also suggests to expect a growth trend in hog numbers, where they will climb to levels of more than 2.5% larger than last year in the October – November timeframe. Recall that cash prices averaged less than \$127/c/kg in the last 6 weeks of 2015, which means that current forward prices are trading at a 5% premium to last year's cash prices despite the expectation of 2.5% more pigs in the pipeline. Producers without protection already in place for this winter should look at covering half of their intended production, while those with forward contracts already on the books should consider setting targets \$5-\$10/c/kg higher than current prices.

Analysts' Expectations vs. June Quarterly Hogs and Pigs Report			
	Range % of 2015	Avg. In % of 2015	June in % of 2015
All hogs	100.1-101.0	100.6	102
Breeding	99.7-101.3	100.4	101
Marketing	100.1-101.0	100.6	102
>180 lbs.	100.3-101.5	100.9	101
120-179 lbs.	99.0-100.9	100.1	101
50-119 lbs.	99.5-101.3	100.5	102
<50 lbs.	100.5-101.0	100.8	102

Source: USDA; citing Urner Barry in DLR

Canadian delivered soymeal prices opened mixed this morning.

Ongoing demand and fears that that weather will soon turn uncooperative has translated into active buying as end users attempt to secure supplies. So far, the weather has been mostly cooperative and 72% of the crop is in good/excellent condition, 9% higher than the 10-year average. Normally this would be a bearish factor. However, the threat of sustained hot and dry weather (that is now projected to develop around July 7) is something to watch. Terms describing the weather as potentially 'harsh' are being used and although the fundamental picture is currently good, aggressive buying and yield limiting weather could result in a lower ending stocks estimate in subsequent reports.

US corn futures opened higher this morning. It is a similar story for the US corn futures trade that is seeing support on good demand and weather fears further out. The weather premium that was all but absent last week is now being (re)built into the trade at the same time end users are buying supplies. This translates into a higher trade for the second session in the week. Hot, dry weather expected in the second half of July is leading the weather premium. Crop conditions showed no change in the good/excellent category coming in at 75% compared to 68% last year and a 10-year average that is also 68%. This normally bearish news is not enough to offset the uncertainty further out, however.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3			173.35 190.17	162.21 171.20	161.51 162.71	133.63 149.78	135.42 141.41	136.52 144.89	147.28 148.47	150.19 150.19	150.79 162.84
Soymeal Wpg Delivered	572	572	574	575	571	570	570				
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 and all pricing is subject to verification. Any unauthorized distribution is strictly prohibited.



Hams Marketing Services will be closed Friday, July 1 for Canada Day.
Risk Management will be closed Monday, July 4 for Independence Day.
The HMO and Opening Price reports will not be published on both days.
The main office is open on Monday, July 4. Normal business resumes on Tuesday, July 5.

