

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

US Slaughter	
425,000	Tuesday
426,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$80.42
National	\$84.81
Iowa/S. MN.	\$80.59
Signature 3	\$192.96
HyLife	\$195.21
TCP/Britco	\$192.93
Sig 3 4-Month Fwd.	\$ 161.55
BoC Rate (Noon) prev. day \$1.3090 CAD / \$0.7639 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 mixed this morning. US cash markets are trading lower mid-week, as packers attempt to recover some of their operating margin lost over the last couple of weeks. Interestingly, the combination of these recently lower cash bids and a rapid improvement in wholesale pork prices has indeed seen packer profitability improve. Yesterday's broad based gains in the pork cut-out took the benchmark pork price to the highest level in nearly a year, which could help to reverse the bearish trend that developed leading up to last week's Hogs and Pigs report. Upside potential for Lean Hog futures relies on the balance between supply and demand with most of the uncertainty attributed to the 20% of US pork that is exported. High prices in China have led to a good opportunity for increased exports, but adverse currency fluctuations continue to favour EU exports of pork rather than US suppliers. Producers that already have price protection for the Sep – Feb period can be more aggressive with price targets when adding to coverage, while those producers that have yet to hedge a portion of their Fall/Winter production should view current prices as good value.

Canadian delivered soymeal prices opened mixed this morning. US soybean futures are trading lower, reversing a two-session move higher and despite renewed concerns of an ending stocks squeeze that is being influenced by both supply and demand sides. Potentially providing some bearish news will be the USDA's Acreage report (released mid-trade on Thursday) where it is widely thought that 2 million acres could be added to the planted area for soybeans (1.6-3-million-acre range). However, strong US demand (due to production and quality concerns in S. America) and the potentially yield limiting hot, dry weather expected ahead is creating a fair bit of uncertainty. The Grain Stocks report will also be released Thursday, providing some more news for the market to digest.

US corn futures opened lower this morning. There is talk that US corn futures are seeing some pressure this morning, largely driven by long liquidation selling. Weather models have been fluctuating, often giving the appearance of some conflicting information regarding when the expected hot dry weather will develop. For now, however, heavier rainfall in the south, as well as some continued moisture for Illinois, Indiana and Ohio is helping to maintain current ending stock estimates pegged between 1.9 and 2.3 billion bu. (1.9 billion bu is based on a 168 bpa yield). US corn futures are in an oversold condition suggesting support could be found quickly especially if weather conditions turn negative.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #3			173.55 190.82	162.71 171.64	162.05 163.24	133.12 149.19	134.90 140.86	137.21 145.58	147.97 149.17	151.37 151.37	151.96 163.32
Soymeal Wpg Delivered	573	573	572	571	567	566	566				
Corn	Local delivered price available on request										

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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.

