

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

Forward contract prices opened mostly lower this morning.

US cash markets continued their lower trend this week as packers are slow to add hours to this week's production schedule, reflecting the weaker trend in wholesale pork. Hog marketings are expected to tighten even further over the next two weeks which could slow the decline in the cash market, especially if the forecast for hotter summer temperatures is realized. However, the Lean Hog futures are not seeing much influence from the cash market recently, with most of the trade volume explained by funds selling out of their record large 'long' position. Winter month contracts have fallen to the lowest levels since January, as it is increasingly less likely that gains in export sales volumes will be enough to offset the increase in pork production in the Nov-Feb timeframe. Producers that have less than one third of their winter production covered should consider adding price protection to cover half of their intended production on any modest recovery. Forward prices in this timeframe are currently \$5-\$10/kg higher than the cash market was last winter, despite the expectation of a 3% increase in pork production.

Canadian delivered soymeal prices opened lower this morning.

A lighter trading volume is expected ahead of the WASDE report that will be released later today at noon (Eastern), although the November contract is seeing some increased volume suggesting some pre-report positioning. The mid-trade release could spark some volatility depending on the official numbers relative to expectations. A renewed expectation of hot weather for next week is reigniting fears of yield losses that could impact the new crop. For now, the expectation is for new crop ending stocks to average near 287 million bu. (compared to 260 million in last month's report), but the range of estimates is relatively wide at these levels, coming in between 170 and 360 million bu.

US corn futures opened lower this morning.

The US corn market is expected to remain amid the lows until new information brings buyers back into the market with strength. Today's WASDE report is unlikely to be that catalyst as corn supplies are plentiful and new crop production is expected to come in relatively high as well in the US. There is talk that a drop in Brazilian production could be the 'surprise' that influences global stocks lower, but US ending stocks are expected to show good supplies generally; old crop ending stocks are pegged between 1.708 and 1.907 billion bu.; new crop estimates are coming in between 1.969 and 2.408 billion bushels.

US Slaughter	
412,000	Monday
414,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$76.57
National	\$82.33
Iowa/S. MN.	\$76.56
Signature 3	\$184.24
HyLife	\$189.43
TCP/Britco	\$183.81
Sig 3 4-Month Fwd.	\$150.95
BoC Rate (Noon) prev. day \$1.3127 CAD / \$0.7618 USD	
Cash Prices Week Ending July 09, 2016	
Signature 3	186.37/84.54
h@ms Cash	184.87/83.86
HyLife	190.15/86.25
TCP/Britco	190.90/86.59
ISO Weans	\$ 21.67 US Avg.
Feeder Pigs	\$ 40.68 US Avg.
#1 Export Sows (+500lbs.) \$36.00/cwt. (Tagged)	

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #3		162.75 177.70	154.08 163.04	153.48 154.76	127.85 143.99	129.64 135.62	132.18 140.53	142.92 144.11	147.76 147.76	148.36 159.57	161.69
Soymeal Wpg Delivered	547	547	547	544	544	544					
Corn	Local delivered price available on request										

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