

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

US Slaughter	
437,000	Thursday
425,000	Thursday (year ago)

Daily Prices	
W. Corn Belt	\$88.27
National	\$91.65
Iowa/S. MN.	\$88.44
Signature 5	\$211.16
HyLife (prev. day)	\$210.67
Britco (prev. day)	\$210.51
TCP/BP2	\$211.16

BoC Rate (Noon) prev. day
\$1.3015 CAD / \$0.7683 USD

Cash Prices Week Ending July 1, 2017	
Signature 3	209.12/94.86
Signature 4	212.52/96.40
Signature 5	210.82/95.63
h@ms Cash	209.32/94.95
HyLife	211.76/96.05
Britco	210.66/95.55
TCP/BP2	207.56/94.15

ISO Weans	\$25.29 US Avg.
Feeder Pigs	\$49.82 US Avg.

Forward contract prices opened higher this morning.

US cash markets were steady early in the week, but gained more than \$2.00 USD/cwt in the Midwest regions during yesterday's trade. For the last several weeks, packers have been cautiously adding money to their cash bids and using the changes in wholesale pork prices to guide their decisions. This 'margin management' trend may have changed this week as pork product values experienced broad weakness yesterday (except for pork bellies) while the cash bids surged higher. Weekly export sales are not providing much support with the latest data showing a small gain in volume from the previous week, but still lower than year-ago levels. The results of yesterday's Hogs and Pigs report were generally neutral to the market as most analysts had accurately anticipated growth in market hog inventory. Following the results of the report, the August (and to a lesser degree the October) contract are now seeing some compensatory gains as they have been heavily discounted from the cash market over the last several weeks. Producers who were holding off on taking protection for the fall and winter months should use the recent price recovery to gain coverage on 50% of their production for the Sep – Feb timeframe.

Canadian delivered soymeal prices opened even this morning.

US soybean futures are higher ahead of the Acreage and Grain Stocks reports that will be released mid-trade today. The trade is looking for numbers to come in at 89.86 million acres on average compared to the previous estimate in March of 89.46 million. For grain stocks, the average pre-report estimate is pegged at 983 million bu. compared to the previous 872 million bu. estimate. If these numbers hold, pressure could be applied to the nearby contracts while the deferred contracts could see some ongoing support. In the meantime, the weather is less threatening as the high heat stays west, but dryness in the Dakotas is prompting some concern.

US corn futures opened higher this morning.

Like soybeans, US corn futures are higher ahead of today's USDA reports. In terms of acreage, the trade is expecting that some acres ultimately went to soybeans when the planting weather was excessively wet. As such, today's pre-report estimate is coming in at 89.78 million acres compared to March's 90 million acre estimate. For grain stocks, pre-report estimates are coming in at 5.125 billion bu. compared to last year's 4.711 billion. Also like beans, nearby contracts are expected to be supported while deferred contracts could see some strength, all else equal and assuming no surprises. In any case, some analysts are calling for a higher weather premium which could develop if the western heat moves into the region during pollination.

Analysts' Expectations compared to June Quarterly Hogs and Pigs Report			
	Range % of 2016	Avg. In % of 2016	June in % of 2016
All hogs	102.8-104.0	103.3	103.42
Breeding	101.0-102.0	101.4	101.50
Marketing	103.0-104.0	103.4	103.60
>180 lbs.	102.7-105.0	103.8	103.67
120-179 lbs.	103.0-104.0	103.5	104.25
50-119 lbs.	102.6-104.0	103.3	103.48
<50 lbs.	102.6-104.0	103.2	103.25

Source: USDA; citing Urner Barry in DLR

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5			176.64 184.89	159.41 167.84	156.53 159.33	136.06 147.57	133.66 141.71	139.03 147.10	147.68 150.80	155.17 157.04	157.27 158.09
Soymeal Wpg Delivered.	415	415	416	418	427	429	429				

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h@ms Marketing Services will be closed Monday, July 3 for Canada Day.

Risk Management will be closed Tuesday, July 4 for Independence Day.

The HMO and Opening Price reports will not be published on both days.

The main office is open on Tuesday, July 4. Normal business resumes on Wednesday, July 5.

