

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

US Slaughter	
439,000	Monday
407,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$87.77
National	\$92.42
Iowa/S. MN.	\$87.84
Signature 5	\$209.38
HyLife (prev. day)	\$209.61
Britco (prev. day)	\$207.05
TCP/BP2	\$209.38
<b>BoC Rate (Noon) prev. day</b> \$1.2888 CAD / \$0.7759 USD	
Cash Prices Week Ending July 8, 2017	
Signature 3	208.04/94.37
Signature 4	211.37/95.88
Signature 5	209.71/95.12
h@ms Cash	208.21/94.44
HyLife	209.74/95.14
Britco	208.37/94.52
TCP/BP2	210.82/95.63
ISO Weans	\$27.44 Avg.
Feeder Pigs	\$53.06 US Avg.

**Forward contract prices opened mixed this morning.** US cash markets started this week firm and are matching their highest traded value so far in 2017. Driving the cash market higher is the wholesale pork product market that has rallied \$30 USD/cwt or approximately 40% of its value over the last 80 days. Typically, the pork cut-out will gain about 20% of its value over this time frame on tightening supplies and increased demand for the BBQ season. However, this year's doubling of the seasonal trend comes almost exclusively from the strength in pork bellies which have increased in value by 80%. Retailers and food service operators placed their orders for bacon months ago and suppliers are paying whatever is required for raw bellies to meet those commitments. In spite of the support seen in the cash market over the last several weeks, fall and winter month lean hog futures have failed to add any significant value and traders are generally pessimistic about the longer-term prospects of US hog prices.

**Canadian delivered soymeal prices opened mixed to lower this morning.** US soybean futures have turned around following 10 straight sessions of gains. This correction follows the exceptional strength that followed the Grain Stocks and Acreage reports at the end of last month; the relative strength index is at 88% indicating an overbought condition on technical grounds. While there are still some regional weather concerns and demand is so far determined to be higher than expectations (aiding the rally), the crop is still largely on pace with averages and the production outlook is still good for now. Yesterday's Crop Progress report came largely within expectations that saw a 2% downgrade in the good/excellent category. Rain forecast for the ISM growing region is also pressuring this morning.

**US corn futures opened lower this morning.** Like beans, the US corn futures trade has turned lower after a period of strength. Unlike beans, there are more intense weather concerns over long periods of heat during pollination that could negatively impact yield. In fact, some commenters are already suggesting a normal yield is out of the question and that temperatures in the 100s (°F) over many days will ultimately prove to be challenging. Yesterday's Crop Progress report showed the good/excellent category came in at 65% which represented a 3% drop from last week. But while last year's exceptional conditions showed good/excellent at 76%, the 10-yr. average is 67% for this time of year. Heat is the story for corn that does not do well in prolonged periods of high temperatures and there is talk the weather market in corn may just be in its infancy.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		175.63 183.85	158.98 167.39	155.94 158.73	138.99 150.46	136.60 144.62	142.53 150.55	151.13 154.22	158.22 150.08	160.31 161.12
Soymeal Wpg Delivered.	468	469	472	484	488	488				

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