

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

Forward contract prices opened higher this morning. US cash markets are expected to trade lower this morning, as the recent trend has seen packers cut their bids in line with lower wholesale pork prices. With hog numbers expected to climb almost 10% over the next two months, pressure on the demand channels will grow in order to clear the added supply. This annual market feature is normally what causes the typical fall price decline, as buyers are only willing to increase their purchases if price concessions are made. Lean Hog futures have currently pegged the seasonal downturn at a \$30/cwt decline over the next 5 months, or about 33% of the current cash market price. However, changes in the exchange rate have had a larger impact on Canadian Forward Contract prices than anything else recently, with the Loonie strengthening against the US Dollar about 7 cents over the last two months. This rally has taken nearly \$15/c/kg out of the value of forward contract prices and weakened the competitiveness of Canadian producer profitability. However, when the US Dollar loses value against the value of the currency of importing nations, it makes US pork more competitive, which benefits North American hog prices.

US Slaughter	
417,000	Monday
410,000	Monday (year ago)

Daily Prices	
W. Corn Belt	\$86.34
National	\$91.68
Iowa/S. MN.	\$86.42
Signature 5	\$203.33
HyLife (prev. day)	\$204.47
Britco (prev. day)	\$200.24
TCP/BP2	\$203.33
BoC Rate (Noon) prev. day \$1.2669 CAD / \$0.7893 USD	

Cash Prices Week Ending July 15, 2017	
Signature 3	206.08/93.48
Signature 4	211.04/95.73
Signature 5	208.56/94.60
h@ms Cash	207.06/93.92
HyLife	209.19/94.89
Britco	207.84/94.28
TCP/BP2	209.71/95.12
ISO Weans	\$27.51 Avg.
Feeder Pigs	\$53.49 US Avg.

Canadian delivered soymeal prices opened higher this morning. The whole soybean complex is trading higher this morning with influence from the latest USDA reported crop condition. The report suggests a further 1% decline in the percentage of crop rated Good/Excellent to 61%, similar to the 10 year average of 62%, but down sharply from last year's level of 71%.

US corn futures opened higher this morning. Corn futures are up sharply this morning, despite what some market watchers would call a modest decline in the condition of the crop. Pre-report estimates anticipated a further 1% decline to the percentage of the US corn crop that is rated Good/Excellent, with the USDA confirming this expectation. However, there is growing concern that the crop is deteriorating quickly, with large sections of the Midwest short of moisture.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		167.90 175.94	151.34 159.56	148.12 150.85	131.39 142.58	129.05 136.89	135.70 143.53	144.10 147.12	147.96 152.84	154.01 154.81
Soymeal Wpg Delivered.	447	447	451	460	465	465				

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