

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

US Slaughter	
446,000	Tuesday
432,000	Tuesday (year ago)
Daily Prices	
W. Corn Belt	\$80.33
National	\$87.45
Iowa/S. MN.	\$80.27
Signature 5	\$189.26
HyLife (prev. day)	\$192.17
Britco (prev. day)	\$183.71
TCP/BP2	\$189.26
<b>BoC Rate (Noon) prev. day</b> \$1.2514 CAD / \$0.7991 USD	
Cash Prices Week Ending July 29, 2017	
Signature 3	190.27/86.31
Signature 4	200.89/91.12
Signature 5	195.58/88.71
h@ms Cash	194.08/88.03
HyLife	197.89/89.76
Britco	196.44/89.10
TCP/BP2	202.47/91.84
ISO Weans	\$20.05 Avg.
Feeder Pigs	\$48.13 US Avg.

**Forward contract prices opened lower this morning.** US cash markets are mixed from previous day. ISM and WCB reporting regions are slightly higher than a quarter (USD) on average while the National/WCB average base is lower by almost 50 cents USD/cwt. We mentioned yesterday that slaughter levels may not be as high as projected in the Hogs and Pigs report, implying that a tightening supply could be supportive. However, data is also showing exceptional demand and high primal values year over year. Exports outside of the NAFTA region (i.e. excluding Mexico) show that ham sales (for example) are 252% higher than previous year for week ending July 28. Moreover, the entire month of July saw non-NAFTA ham sales average 1.7 million lbs./week representing a 326% (!) increase over year ago volumes. Loins, picnics and hams are up 5%, 4% and 19% respectively, not to mention bellies which are about double from year ago levels. While cold storage numbers were higher for hams in June, one ag publication reminds us that some storage is used for 'staging' before shipping. They make the argument that increasing cold storage numbers by themselves may not necessarily mean softening demand in the context of exceptional sales (as above suggests). Lean hog futures are trading at a discount to cash, but traders appear so far comfortable with the current spread. There is talk that a correction could be on the way, however.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures have corrected from yesterday's losses and are trading higher as of this writing. Decent weather on the horizon makes it difficult to be bullish relatively speaking. However, one crop scout has estimated bean yield at 46.5 bpa which would put 2017/18 ending stocks at 305 million bu. an ~50% drop from the current 460 million bu. WASDE estimate. Another analytics firm has set the estimate at 47.7 bpa which would put ending stocks at 411 million for the new crop year.

**US corn futures opened higher this morning.** The first official USDA new crop yield estimate will be released on August 10, but in the meantime, there is no shortage of opinions on yield prior to the reports. Trendlines would put 2017/18 yield near 165 bpa; crops since 2000 have been above trendline in all but three years. This year, however, a below trendline expectation is the growing consensus and yield estimates currently range between 162.8 and 163.5 bpa. The lower estimates would put ending stocks at 1.611 billion bu. and an 11.2% stocks-to-use ratio which would be bullish in this context.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		142.10 154.71	139.14 141.85	122.46 133.62	120.12 127.93	128.05 135.86	136.43 139.44	142.02 146.89	146.19 146.53	151.26 163.50	161.40 172.97
Soymeal Wpg Delivered.	424	424	435	438	438						

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