

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

Forward contract prices opened higher this morning. US cash markets gained more than \$1.00 USD/cwt in yesterday's trade as packers are finding the flow of live supplies to be tightening and subsequently forcing greater competition for the 'uncommitted' hogs. The pork carcass cut-out has made steady advances over the last week but continues to lose ground to the live hog prices, resulting in tighter packer margins. The tightening of packer operating margins in the summer timeframe has been anticipated considering the additional three plants that became operational over the last year and the positive impact that they have had on the competitive landscape. Lean hog futures are getting mixed messages with the broad trade environment under threat of increased tariffs, yet the latest monthly export data from April is showing excellent sales growth to Mexico (+34%) and South Korea (+74%). Producers that do not have protection in the critical Q4 2018 timeframe may consider the recent market strength as an opportunity to determine if current forward contract values (now hovering slightly above three-year averages depending on the timeframe) will work for their operations, but also to secure prices in a potentially volatile and uncertain marketing environment.

Canadian delivered soymeal prices opened lower this morning. Commentary yesterday suggested that the June WASDE report (also released yesterday) cooled some of the recent selling in the soybean complex as traders were on the 'wrong side' of the market as supplies tightened. This morning, however, any support that developed yesterday has disappeared and the market is trading sharply lower as of this writing. There is talk that, despite tightening stocks, yesterday's WASDE report understates new crop production and that the market reaction to the report was a bit overdone. New crop beans nevertheless came in lower than the lowest market expectation whereas the old crop estimate was only 17 million bu. lower than the average pre-report estimate and within the range of expectations.

US corn futures opened lower this morning. Like beans, US corn futures are trading lower this morning after some strength returned to the market following the release of the WASDE report yesterday. Old crop also came in lower than the pre-report expectation ushering in immediate support. New crop corn came in within expectations but at the lower end of the range and below the average pre-report estimate. This morning's correction is thought to be a function of international trade uncertainty and some repositioning following what could be considered a bit of an overreaction to yesterday's WASDE report.

US Slaughter	
452,000	Tuesday
433,000	Year Ago
Daily Prices	
W. Corn Belt	\$79.97
National	\$77.77
Iowa/S. MN.	\$80.09
ML Signature 5	\$185.06
HyLife (prev. day)	\$177.84
TCP/BP2	\$185.06
BoC Rate (Noon) prev. day	
\$1.3004 CAD / \$0.7690 USD	
Cash Prices Week Ending June 9, 2018	
Signature 3	171.37/77.73
Signature 4	167.70/76.07
Signature 5 Brandon	169.53/76.90
h@ms Cash	168.03/76.22
HyLife	168.03/76.22
TCP/BP2 Moose Jaw/Langley	160.99/73.02
2018 Top-Up Estimate	
\$4.19/ckg (call for details)	
ISO Weans	\$20.98 US Avg.
Feeder Pigs	\$43.23 US Avg.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		181.31 184.82	171.01 177.08	147.43 161.21	144.64 148.49	130.38 142.03	129.33 133.22	132.09 143.87	144.31 146.44	146.81 146.44	150.18 160.64
Soymeal Wpg/S. Man Delivered	501	504	504	509	511	512					

This bulletin is intended as a marketing tool for subscribed members only. Prices are not quotes and all pricing is subject to verification. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.

follow us @hamsmarketing



Some Important Phone Numbers

Main Office: 204-233-4991

Toll Free: 1-800-899-7675

Logistics: 204-235-2225

Risk Management: 204-235-2237

STRENGTH IN NUMBERS

