

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

US Slaughter	
446,000	Wednesday
432,000	Year Ago
Daily Prices	
W. Corn Belt	\$83.24
National	\$79.94
Iowa/S. MN.	\$83.35
ML Signature 5	\$192.18
HyLife (prev. day)	\$182.74
TCP/BP2	\$192.18
BoC Rate (Noon) prev. day \$1.3052 CAD / \$0.7662 USD	
Cash Prices Week Ending June 16, 2018	
Signature 3	190.96/86.62
Signature 4	179.13/81.25
Signature 5 Brandon	185.04/83.93
h@ms Cash	183.54/83.25
HyLife	n/a
TCP/BP2 Moose Jaw/Langley	169.53/76.90
2018 Top-Up Estimate	
\$4.19/ckg (call for details)	
ISO Weans	\$20.98 US Avg.
Feeder Pigs	\$43.23 US Avg.

Forward contract prices opened mixed this morning. US cash markets are finishing the week with strong gains and have averaged more than \$1.50 USD/cwt per day over the week, resulting in the biggest one-week price rally seen so far in 2018. Live supplies have tightened significantly with packers forced to cut hours on their weekday production schedule by more than 5%. While pork product values are also benefitting from the reduced production, wholesale pork has not kept pace with packer bids and are now running at a deficit. With every hog purchased, packers are losing approximately \$10 - \$20 per hog (USD) as they are unable to cover their costs with the value of wholesale pork. Lean hog futures have benefitted from the cash strength this week, but the summer month gains have been cut by \$2.50/cwt over the last two days as traders are growing concerned about packer profitability and their willingness to operate at losses over several weeks. Producers can still secure prices on the Sep – Dec production at levels comparable to cash prices last year which represents good value in the context of abundant supplies and uncertain demand.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are under pressure to finish off the week as trade disputes ramp up. The Americans are poised to put into force \$34 billion worth of tariffs on Chinese products by July 6 (out of the \$60 billion previously announced) if the Chinese retaliate, which appears to be the case. Unsurprisingly, beans have moved lower and some commenters have suggested that if this ramps up further, Chinese buyers will be motivated to never buy another US bean again. That's all very poetic, but the reality is China cannot sole-source or completely avoid buying US beans. Non-threatening weather is also bearish in the short term, but the focus is on what the USA may or may not do regarding trade.

US corn futures opened higher this morning. US corn futures have apparently reached their short-term bottom following multiple sessions of back-to-back selling that saw the July contract trade at the lows not seen since the beginning of the year and amid contract lows. While China/US trade relations are in the forefront, Mexico is discussing imposing \$4 billion of tariffs on corn and soybean imports as a reaction to currently imposed US tariffs; recall that Mexico is the number one destination for US corn. As well, crops are off to an excellent start with some ideas on increased acreage, adding pressure. As such, any technical rebound today will likely be kept in check on trade and fundamentals.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		183.82 187.38	173.50 179.67	148.88 162.89	146.11 150.02	129.72 141.57	128.66 132.61	130.42 142.32	142.79 144.91	145.45 147.21	148.19 158.70
Soymeal Wpg/S. Man Delivered	506	508	508	543	515	516					

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