

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

Forward contract prices opened mixed this morning. US cash markets finished last week with their largest gains so far in 2018, adding about 10% in value over the week as packers are finding uncommitted hog supplies difficult to find. Wholesale pork prices also moved sharply higher, but they did not keep pace with live bids, which put increasing pressure on packer profitability. Expectations for the cash market over this week are still positive as the product required to meet July 4th demand will mostly be sourced by the end of this week. October and December lean hog futures are still at the high end of the six-week trading range which represents good value considering record production and uncertain export demand in this timeframe is expected. Producers who have not yet done so should cover half of their September – December production at current prices in order to mitigate the downside risk associated with record production.

Canadian delivered soymeal prices opened lower this morning. There are some commenters suggesting the at least the Chinese tariffs are likely priced into the market for now, so weather and exports could drive the trade presently. The US/China tariff dispute has pressure the market to lows not seen since the nearby contract was first offered about a year ago, but now that the latest round of items is known, the market has repositioned itself. However, the ongoing NAFTA challenges will likely provide uncertainty until some more firm progress (or not) is reported. In the meantime, crop conditions will be watched to see if the exceptional good/excellent ratings can be maintained when released later today.

US corn futures opened lower this morning. Like beans, the US corn futures are experiencing contract lows on trade uncertainty. While the China/US trade spat has uncovered the items targeted for now, NAFTA uncertainty looms. China does not import much US corn comparatively speaking, but Mexico does, and the market is not confident that a swift resolution to current NAFTA sticking points will be discovered any time soon. There is talk that US pork is being sourced from the US ahead of the next round of Mexican-imposed tariffs placed on US pork which will rise to 20% (from the current 10%) on July 1st. However, there is talk Mexican buyers are attempting to secure alternative corn supplies from it's South American neighbours already.

US Slaughter	
2.215 mil.	Last Week
2.178 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$83.45
National	\$80.99
Iowa/S. MN.	\$83.51
ML Signature 5	\$195.49
HyLife (prev. day)	\$186.05
TCP/BP2	\$195.49
BoC Rate (Noon) prev. day	
\$1.3177 CAD / \$0.7589 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	180.21/81.74
TCP/BP2 Moose Jaw/Langley	169.53/76.90
2018 Top-Up Estimate	
\$3.77/ckg (call for details)	
ISO Weans	\$17.68 US Avg.
Feeder Pigs	\$42.16 US Avg.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		183.52 184.35	173.03 178.98	148.80 162.83	146.20 148.81	130.42 143.12	129.59 133.31	131.41 143.11	143.70 145.83	145.90 148.15	149.58 160.03
Soymeal Wpg/S. Man Delivered	496	499	499	504	507	509					

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