

Hog Prices: $\uparrow\downarrow$ Soymeal: \downarrow
Corn: \downarrow CDN Dollar: \downarrow

Forward contract prices opened mixed this morning. US cash markets started this week with lower bids as packers responded to the unprofitable meat margins that developed over the previous week. Bids for the uncommitted live supplies drove prices to their highest level so far in 2018 with tightening hog supplies forcing packers to pay more for the hogs than what they would receive for the fresh pork. Yesterday's slaughter was estimated by the USDA at 415,000 hogs which is down more than 10% from peak daily production in the winter. The remaining 2018 lean hog futures contracts were down an average of \$1.25 USD/cwt in yesterday's trade as the market pared back some of the gains seen last week. If anything, the prospect of a resolution to the US trade disputes involving Canada, Mexico and China have all deteriorated over the last month and threaten to be a major issue in the meat market for the last half of 2018. With the Canadian Dollar trading at its lowest level in nearly a year, forward prices for the September – December timeframe represent good value given the expectation of record production and uncertainty on the trade front.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are down double digits at the open as the ongoing trade dispute the USA has with China heats up and weather looks favourable on expectations of increased acreage. Some news services are reporting president Trump has suggested the idea of applying another 10% tariff on \$200 billion in Chinese products in addition to the tariffs on the already \$50 billion that are targeted. This escalation has markets on the defensive and beans are currently headed to the daily limit low. The dispute is over a trade imbalance that some economists do not think is a major issue on balance but plays out well with those who have a limited understanding of global markets and trade movements.

US corn futures opened lower this morning. US corn futures are following the bean complex lower (now, also moving down in the double digits) following the ramping up of rhetoric coming from the White House in the US. The escalating of hostilities between China and the US does not bode well for the ongoing NAFTA negotiations where the president appears to be doubling-down on a firm position as opposed to ushering in a spirit of cooperation. The recent news suggests the USA 'could' apply an additional 10% tariff on an additional \$200 billion in Chinese goods and services. China doesn't buy a lot of US corn, but the reverberations from the recent news is making the rounds and is a massive market disruption.

US Slaughter	
415,000	Monday
427,000	Year Ago
Daily Prices	
W. Corn Belt	\$82.78
National	\$82.02
Iowa/S. MN.	\$82.83
ML Signature 5	\$196.43
HyLife (prev. day)	\$190.23
TCP/BP2	\$196.43
BoC Rate (Noon) prev. day	
\$1.3213 CAD / \$0.7568 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		183.61	172.36	146.18	143.61	129.34	128.50	131.29	143.67	146.12	149.80
		184.45	178.34	160.30	146.23	142.12	132.26	143.07	145.81	148.38	160.33
Soymeal Wpg/S. Man Delivered	484	484	488	491	492	494	494				

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