

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

US Slaughter	
2.168 mil.	Last Week
2.155 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$79.15
National	\$85.12
Iowa/S. MN.	\$79.02
ML Signature 5	\$197.07
HyLife (prev. day)	\$199.41
TCP/BP2	\$197.07
BoC Rate (Noon) prev. day	
\$1.3308 CAD / \$0.7514 USD	
Cash Prices Week Ending June 23, 2018	
Signature 3	200.94/91.15
Signature 4	195.88/88.85
Signature 5 Brandon	198.41/90.00
h@ms Cash	196.91/89.32
HyLife	196.17/88.98
TCP/BP2 Moose Jaw/Langley	185.04/83.93
2018 Top-Up Estimate	
\$3.52/ckg (call for details)	
ISO Weans	\$18.14 US Avg.
Feeder Pigs	\$39.89 US Avg.

Forward contract prices opened mostly lower this morning. US cash markets are under pressure with negotiated values dropping about 5% (or \$4.00 USD/cwt) in last week's trade. Estimated packer operating margins moved well into 'the red' (i.e. negative margins) when one considers that the margin on meat was zero to start the week and packers paying higher prices than what they were receiving for wholesale pork. The USDA's Cold Storage report was released on Friday and showed that pork supplies at the end of May were up approximately 6% over last year. In a report on weekly export sales activity, the USDA posted declining sales figures compared to year-ago levels which is likely a result of the added tariffs that are being applied by China and Mexico. Lean hog futures opened lower this morning, reflecting the bearish news and following the cash market fundamentals. Producers without protection in the September – December period should view any recovery in the October and December lean hog futures as an opportunity to hedge some of their production and mitigate the risk associated to record large supplies and uncertain export markets.

Canadian delivered soymeal prices opened lower this morning. Rhetoric from the US once again casts a negative tone over the US soybean futures trade as President Trump suggests the US will prevent Chinese entities from investing in the American technology sector citing national security risks. Of course, the reaction in grains has little to do with US technology and is more likely bracing for the Chinese reaction as the trade dispute heats up. Some rain fell in some of the drier regions of the Corn Belt adding to the bearish outlook for now. The trade is now looing ahead to the Quarterly Grain Stocks report that will be released on Thursday.

US corn futures opened lower this morning. US corn futures follow the bean complex lower as the USA ramps up its protectionist stance. There has been some talk that the tough-talk coming from the president is merely a negotiating tactic. In the mean time, however, there are very real consequences in markets that rely heavily on export trading. The USDA's Crop Progress report will be released at 3:00 PM (Central) today and the market is expecting the crop to be steady with last week's numbers which have been historically excellent. Beneficial rain in parts of the Corn Belt over the weekend is also pressuring this morning.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		175.20	163.34 169.33	139.97 154.11	137.49 140.13	124.75 137.56	123.92 127.68	127.46 139.27	139.86 142.01	142.80 145.06	146.41 156.95
Soymeal Wpg/S. Man Delivered	491	491	496	496	495	496	496				

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STRENGTH IN NUMBERS

