

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

US Slaughter	
447,000	Tuesday
440,000	Year Ago
Daily Prices	
W. Corn Belt	\$77.45
National	\$84.79
Iowa/S. MN.	\$77.61
ML Signature 5	\$194.58
HyLife (prev. day)	\$198.53
TCP/BP2	\$194.58
BoC Rate (Noon) prev. day \$1.3306 CAD / \$0.7515 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 lower this morning.** Regional cash markets in the US were down again yesterday, subsequently losing approximately \$0.30 - \$0.45 USD/cwt. Packer operating margins have staged a significant recovery over the past week as wholesale pork prices moved higher while cash bids for live supplies dropped nearly \$5.00/cwt. As anticipated, the additional slaughter capacity that was added over the last year has had a major influence on the competitive environment with packers forced to bid away more of the spread between pork and live hog prices in an attempt to maintain efficient operating levels. Lean hog futures opened slightly lower this morning as many traders focus on tomorrow's release of the USDA's Quarterly Hogs and Pigs report. Analysts surveyed by Urner Barry in advance of tomorrow's release estimated the total herd to be up approximately 3% from year ago levels, which would imply a 4% increase in pork production over the next 4-5 months. Producers concerned about prices in the last half of 2018 are encouraged to cover some of their price risk at current forward prices, especially in the peak production period of September – December.

**Canadian delivered soymeal prices opened even this morning.** US soybean futures are trading off the lows ahead of the two big USDA reports that will be released on Friday. The Acreage and Quarterly Grain Stocks reports will both be released at 11:00 AM Central, and with a holiday-shortened trading week immediately following, the later session could be volatile. The market will be attempting to reconcile the fundamental picture (grain stocks) with the forward looking one (acreage) amid the increasingly murky export picture. However, more than one commenter has suggested even if 'bullish' reports are released, the market will likely struggle to make substantial gains until trade becomes more certain.

**US corn futures opened higher this morning.** US corn futures are following beans higher ahead of Friday's reports. US corn acreage is expected to come in at 88.56 million acres which is higher than May's WASDE estimate but slightly lower than the June WASDE report. Exceptional crop conditions, so far, however are expected to produce good yields, even though the new crop ending stocks are expected to come in lower than last year at the same time global stocks are expected to be drawn down. In the meantime, the market is trading amid contract lows and, like beans, it would take a substantial news item to influence any meaningful recovery in the short term.

Fixed Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		178.10	166.83 172.81	142.47 156.60	139.92 142.55	126.08 138.87	125.24 129.00	129.00 140.81	141.41 143.55	145.10 147.37	148.81 159.37
Soymeal Wpg/S. Man Delivered	491	491	496	496	495	496	496				

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Hams Marketing Services will be closed Mon., July 2 for Canada Day observance.

All forward contracting will be closed one hour early on Tues., July 3 and all day Wed., July 4 for Independence Day (USA).

Main office will be open on the 3<sup>rd</sup> and 4<sup>th</sup>.

The HMO and Opening Price reports will not be published on the national holiday days.

