

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

Forward contract prices opened lower this morning. US cash markets finished last week's trade with a decline in cash prices of about \$2.00/cwt at a time when packers are usually short of supplies and willing to pay higher amounts to secure hogs. However, for the last several weeks, packer margins have struggled and have forced them to accept less than a full production schedule. The pork carcass cut-out is down about 20% from year ago levels, with most of the weakness coming from Hams, which are valued more than 30% lower than July 2017. The weakness is widespread across the pork complex, with all but the nearby Lean Hog Futures contract losing 10% of their value in last week's trade. The combination of the record supplies that are anticipated in the September – December timeframe and the additional tariffs being applied to US pork in both Mexico and China have severely reduced the prospect of 'normal' seasonal markets. Producers that would like more price protection should set targets \$5 - \$7/ckg. higher than current forward contract prices, which would capitalize on the elevated volatility that the market is experiencing.

Canadian delivered soymeal prices opened higher this morning. While the soybean complex is experiencing some modest support, new contract lows were already hit in early morning trade. Dominating the market talk for the last several weeks are the trade tariffs being applied by China that make US soybeans less competitive in that market. While it is a widely held belief that Chinese buyers will still be sourcing soybeans from the US, South American suppliers will have an advantage due to their product not being exposed to the 25% import tariff that China has applied to the US in retaliation of that country's tariffs on Chinese products.

US corn futures opened lower this morning. Corn, along with all agricultural commodities continues to decline, with the December Corn futures losing about 17% of its value over the last 6 weeks. Exceptional growing conditions continues to apply bearish pressure, with adequate moisture and temperatures that are cooler for the critical pollination phase of production that most of the US crop is entering.

US Slaughter	
2.285 mil.	Last Week
2.197 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$73.36
National	\$80.65
Iowa/S. MN.	\$73.52
ML Signature 5	\$182.83
HyLife (prev. day)	\$186.88
TCP/BP2	\$177.10
BoC Rate (Noon) prev. day	
\$1.3171 CAD / \$0.7592 USD	
Cash Prices Week Ending July 14, 2018	
Signature 3	182.76/82.90
Signature 4	190.27/86.31
Signature 5 Brandon	186.52/84.60
h@ms Cash	185.02/83.92
HyLife	187.96/85.26
TCP/BP2 Moose Jaw/Langley	190.45/86.39
2018 Top-Up Estimate	
\$3.51/ckg (call for details)	
ISO Weans	\$15.32 US Avg.
Feeder Pigs	\$31.52 US Avg.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		153.84 159.87	126.05 140.24	123.56 126.16	110.36 122.99	109.41 113.12	115.38 127.32	127.79 130.04	132.05 134.30	135.79 140.93	157.17 160.01	159.30 165.13
Soymeal Wpg/S. Man Delivered	481	485	484	483	482	482						

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