

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

Forward contract prices opened higher this morning. US cash markets continued lower in yesterday's trade, with the Western Cornbelt region reporting a drop of \$1.20/cwt to a level not seen since May. Packers are managing their margins by matching their cash bids for live supplies to the weak wholesale pork market which has come under additional pressure this week. The pork carcass cut-out fell nearly \$2.00/cwt in yesterday's trade amid weakness across almost all of the primal cuts. Lean Hog futures traded lower in yesterday's trade, testing the contract lows that were set last week. With news of a new trade deal signed between Japan and the EU, the US pork market was dealt another blow. When ratified, the deal would result in lower tariffs on European pork than on US product which would further exacerbate the problem of export market demand. There is an overwhelming bearish market sentiment in the pork market that has taken fall forward contract values to their lowest level since 2016.

US Slaughter	
461,000	Wednesday
441,000	Year Ago
Daily Prices	
W. Corn Belt	\$70.84
National	\$79.14
Iowa/S. MN.	\$70.93
ML Signature 5	\$178.47
HyLife (prev. day)	\$183.69
TCP/BP2	\$178.47
BoC Rate (Noon) prev. day	
\$1.3204 CAD / \$0.7573 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.

Canadian delivered soymeal prices opened lower this morning. US Soybean futures made modest gains in yesterday's trade, which marks 3 consecutive days of gains, the first time since late May that Soybeans have moved in a positive trend. The USDA cut its forecast for soybean exports by about 250 million bushels in their last WASDE report, which reflects the 25% tariff set by China on US origin beans. However, the tariff has only cut meal prices by about 15%, and still well above the lows experienced last year.

US corn futures opened lower this morning. Corn futures are seeing gains this morning, buoyed by better than expected export sales. The corn market appears to have found some support at current levels, which may reverse the longer term bearish trend experienced for the last 2 months that has been driven by excellent growing conditions.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		150.81 156.90	123.32 137.64	120.78 123.40	105.48 118.23	104.53 108.27	113.10 125.12	125.59 127.85	131.49 133.75	134.53 139.68	157.41 160.24	159.53 165.37
Soymeal Wpg/S. Man Delivered	478	482	481	479	479	479						

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