

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

Forward contract prices opened higher this morning. US regional cash markets were reportedly down about \$0.50/cwt in yesterday's trade, continuing the lower trend of the last two weeks. While market ready hog supplies likely hit their lowest level for the year a few weeks ago, packers are still holding back on expanding their production schedule as none of them want to be building inventory at a time when pork prices are moving decisively lower. Their strategy has been to buy enough to maintain their fresh pork orders and recover some of their profits through cutting their cash bids at a pace quicker than the declines they are experiencing on the pork side. This has been a large factor contributing to the weakness in Lean Hog futures, as traders have identified the glut of supply that will develop this fall when production reaches record levels and exports are constrained by tariffs. The October Lean Hog futures is trading at a 23% discount to the current cash market, nearly double the 'typical' discount for this time of year. Producers looking for price protection should set targets \$8 - \$10/kg higher than the current forward prices in the September - February timeframe.

US Slaughter	
421,000	Monday
412,000	Year Ago
Daily Prices	
W. Corn Belt	\$66.50
National	\$77.00
Iowa/S. MN.	\$66.56
ML Signature 5	\$170.09
HyLife (prev. day)	\$178.10
TCP/BP2	\$170.09
BoC Rate (Noon) prev. day	
\$1.3156 CAD / \$0.7601 USD	
Cash Prices Week Ending July 21, 2018	
Signature 3	173.39/78.65
Signature 4	186.51/84.60
Signature 5 Brandon	179.95/81.62
h@ms Cash	178.45/80.94
HyLife	183.60/83.28
TCP/BP2 Moose Jaw/Langley	186.52/84.60
2018 Top-Up Estimate	
\$3.62/kg (call for details)	
ISO Weans	\$15.54 US Avg.
Feeder Pigs	\$33.96 US Avg.

Canadian delivered soymeal prices opened lower this morning. Soybean crop conditions experienced an infrequently seen mid-season improvement over the last week, likely due to some needed precipitation hitting some dry areas of the Midwest. The complex reacted to the 1% improvement in condition by starting the day's session lower but moved to positive territory shortly after the open.

US corn futures opened lower this morning. Corn futures are experiencing some weakness in this morning's trade, with yesterday's Crop conditions report showing a modest improvement in the crop. 72% of the total US crop is rated Good to Excellent, which is about 10% higher than the 10 year average. Crop development is ahead of schedule, with more than 80% of the crop in the critical pollination phase, way ahead of the typical pace of 60%.

Fixed Forward Range (at opening)	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		145.75 149.14	124.85 139.07	122.32 124.92	106.77 119.43	105.83 109.54	112.13 124.09	124.56 126.81	129.37 131.61	133.13 138.28	157.14 159.98	159.27 165.11
Soymeal Wpg/S. Man Delivered	477	482	480	479	478	478						

This bulletin is intended as a marketing tool for subscribed members only. Prices are not quotes and all pricing is subject to verification. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.