

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

Forward contract prices opened lower this morning. US cash markets were lower in yesterday's trade with the reporting regions showing declines of \$0.80-\$1.50 USD/cwt. Last week's reduced slaughter week (due to plant maintenance) has shifted more hogs into this week, but pork prices are not reflecting the reduced production with sharp declines seen in belly and ham values. Pork bellies have dropped more than 25% of their value over the last two weeks and are priced at approximately half the value that they were at this time last year. Until recently, pork bellies were the only cut that was following the typical seasonal trend and partially offsetting the weakness in ham values. Lean hog futures are approaching new contract lows this morning with the weak cash market performance having a direct influence on the October and December futures contracts. Producers should consider setting targets for the January/February timeframe at \$3-\$5 CAD/kg higher than current forward prices as this would represent good value compared to current prices offered for the October – December timeframe.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher this morning on some weather concerns in the forecast as well as some talk that the funds are still actively covering some short positions (i.e. buying back contracts). On the other hand, yesterday's Crop Progress report showed 70% of the crop was in good to excellent conditions against a pre-report estimate of 69%. 70% exactly represents the USDA assessment last week and is 11% higher than last year. Weather will factor prominently now with blooming and pod setting being closely watched, international trade issues notwithstanding.

US corn futures opened higher this morning. Like soybeans, US corn future are trading higher on some weather concerns (both domestic and international) amid talk that second crop (Safrinha) corn production estimates in Brazil could be backed off. There are also reports that the managed money activity that was taking place yesterday has followed through into this morning's session. Yesterday's Crop Progress report, also like beans, showed the rating was unchanged from the previous week, coming in at 72% good/excellent. The rating compares to a 61% good/excellent condition seen last year.

US Slaughter	
436,000	Monday
420,000	Year Ago
Daily Prices	
W. Corn Belt	\$61.05
National	\$71.97
Iowa/S. MN.	\$61.01
ML Signature 5	\$156.03
HyLife (prev. day)	\$165.46
TCP/BP2	\$156.03
BoC Rate (Noon) prev. day	
\$1.3021 CAD / \$0.7680 USD	
Cash Prices Week Ending July 28, 2018	
Signature 3	158.41/71.85
Signature 4	177.47/80.50
Signature 5 Brandon	167.94/76.18
h@ms Cash	166.44/75.50
HyLife	174.05/78.95
TCP/BP2 Moose Jaw/Langley	179.95/81.62
2018 Top-Up Estimate	
\$3.82/kg (call for details)	
ISO Weans	\$16.65 US Avg.
Feeder Pigs	\$23.41 US Avg.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		116.57 160.68	114.91 116.71	101.45 114.01	100.51 104.20	108.49 120.32	120.79 123.02	126.72 128.94	130.49 135.59	155.83 158.64	157.94 163.72
Soymeal Wpg/S. Man Delivered	495	494	494	495	495						