

US Slaughter	
467,000	Monday
416,000	Year Ago
Daily Prices	
Iowa/S. MN.	\$76.65
W. Corn Belt	\$76.20
National	\$78.81
ML Signature 5	\$187.41
HyLife (prev. day)	\$185.67
TCP/BP2	\$187.41
BP4/TCP4	\$187.56
BoC Rate (Noon) prev. day \$1.3407 CAD / \$0.7460 USD	
Cash Prices Week Ending June 15, 2019	
Signature 3	185.01/83.92
Signature 4	187.92/85.24
Signature 5	186.47/84.58
h@ms Cash	185.92/84.33
HyLife	185.91/84.33
TCP/BP2	190.59/86.45
BP4/TCP4	192.16/87.16
Cumulative Top-Up Estimate \$3.52 CAD/ckg	
ISO Weans \$35.81 US Avg.	
Feeder Pigs \$62.99 US Avg.	

Forward contract prices opened lower this morning. The Iowa/Southern Minnesota and Western Corn Belt regions did not report a price yesterday due to confidentiality. The National regions came in lower by \$0.14 USD/cwt relative to the previous day. The cash price trend remains biased lower with the regional prices now approximately 6% lower than the average normally seen at this time of year. Historically, week 26 (i.e. next week) represents the 'summer high' price when averaged, but if the recent trend remains this year, prices will likely not be the highest next week. In fact, so far, the highest cash level was achieved in week 20 or week 21 depending on the region (i.e. the end of May) and without a positive demand development, cash markets will struggle to make gains. To be sure, pork is still moving and being sold, but the cash market saw early strength on price and supply hedging which did not materialize as expected. The result has thus been a cash market that is backing off while reconciling massive amounts of supply, ongoing trade wars (and uncertainty) and a demand profile that may not clear the market as swiftly as first thought in the short term, all else equal. This theme is carried into the futures markets, but ASF-related export optimism is keeping the downside in check. It is important to remember that current futures values are indeed seasonally higher in the fourth quarter of 2019 and first quarter of 2020 when compared over the last five years; the December contract is 15% higher than the five-year average and the February contract is 9% than its five-year average and subsequent forward contracts represent good value historically. However, the market is volatile and waiting for any news on Chinese buying activity in the global market. While prices represent a good hedging opportunity at current levels, there is an expectation that those values could improve once China enters the global market more aggressively and/or the tariff on USA pork is removed.

Canadian delivered forward contract prices opened higher this morning. Yesterday's crop progress report showed that bean planting in the USA is now 77% complete relative to the 80% pre-report expectation and still behind the averages. It is important to remember, however, that the USDA reports on intentions for the week only, not total intentions at the beginning of the year. As such, planting progress is typically misinterpreted because progress does not reflect original acreage intentions or what the farmer intended to plant. The acreage report released on June 28, therefore, will likely be 'the piece' of information the market is actually looking for. Acreage won't be 'known' until the end of this month and can't really be estimated from the progress report.

US corn futures opened higher this morning. Unsurprisingly, US corn planting progress came in behind the averages showing 92% complete against the same expectation but the number compares to 100% completed progress that is typically reached by the week prior on average. Condition of the emerged crop is estimated at 59% good/excellent which is in line with the pre report estimation and unchanged relative to last week. Bean condition will not be reported until next week.

Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig. #5		186.26	184.26 189.93	177.22 183.37	173.89 177.87	167.47 175.19	165.05 169.40	165.26 169.40	176.16 180.16	175.94 177.63
Soymeal Delivered Wpg/S.Man	484	482	487	490	493	500				

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