

## US Slaughter

|         |          |
|---------|----------|
| 477,000 | Tuesday  |
| 444,000 | Year Ago |

## Daily Prices

|                    |          |
|--------------------|----------|
| Iowa/S. MN.        | \$76.69  |
| W. Corn Belt       | \$76.58  |
| National           | \$79.32  |
| ML Signature 5     | \$188.30 |
| HyLife (prev. day) | \$187.17 |
| TCP/BP2            | \$188.30 |
| BP4/TCP4           | \$188.58 |

**BoC Rate (Noon) prev. day**  
\$1.3394 CAD / \$0.7470 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.** US cash markets posted modest gains relative to the previous day coming in \$0.04, \$0.38, and \$0.51 USD/cwt higher in the ISM, WCB and National regions, respectively. Despite coming in 'higher', the cash market is struggling to make significant headway. It is increasingly appearing that the 'summer' highs of 2019 will likely be hovering near the averages (currently lower by about 6%) and almost certainly not break the recent high levels seen in 2017, never mind coming in anywhere near 2014 levels when ASF-related demand was widely thought to trigger another PEDv-type pricing event. Massive supplies, a lethargic cut-out, and an export demand picture that, while healthy, is in no shape to currently absorb the 'excess' domestic production, are all factors weighing on the cash side. Depending on who one reads, ASF-related demand from China is expected to come in as early as the beginning of next month (for the optimists) and as late as the mid-first quarter in 2020. In March, the futures market attempted to price in ASF-demand across all futures contracts that most view was a speculative event now. This morning, there is no premium in the summer contracts (July is in fact ~2% lower than the average monthly closing value as of this writing), but a premium can be observed in the December contract which is 18% higher than its five-year average; February 2020 is also at a premium by about 11%. This is consistent with ideas that the USA will not benefit from a Chinese influence in global markets until much later this year. While the fundamental picture is weighing heavily on the nearbys, ASF is keeping the downside in check on the deferreds. To be clear, almost everyone expects more price support due to ASF at some point. And while Chinese buyers may seek US supplies when food security and inflation issues in China become more acute, for now, large cold storage supplies (believed), a 50% pricing disadvantage relative to other suppliers (62% total tariff), not to mention a simmering trade war and a frosty relationship, is producing results that suggest the USA is not gaining any market share in China relative to competitors at present.

**Canadian delivered forward contract prices opened lower this morning.** The market increasingly looks to be trading weather developments, and even though growing concerns mount over the lateness of the crop, US soybean futures are backing off this morning. The action follows five straight sessions of gains that developed last week and maintains the upward trend since the middle of May. There is talk that futures might be running out of steam and that a top may be developing.

**US corn futures opened lower this morning.** Like beans, US corn futures are trading lower this morning but not due to any fundamental. Also like beans, the nearby futures contract is starting to appear to be nearing the end of its course for now after the strength that developed last month. Despite a 92% completed planting number, most are of the view there is still a massive amount of corn left to be planted (mostly because the Crop Progress report does not reflect percentages relative to initial intentions or outlooks). As such the acreage report that comes out at the end of the month is eagerly anticipated and will be closely watched.

| Forward Range<br>(at opening)  | Jun | Jul    | Aug              | Sep              | Oct              | Nov              | Dec              | Jan              | Feb              | Mar              |
|--------------------------------|-----|--------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Maple Leaf<br>Sig. #5          |     | 183.19 | 182.95<br>188.60 | 175.54<br>181.68 | 172.04<br>176.00 | 167.78<br>175.47 | 165.38<br>169.71 | 164.39<br>174.04 | 175.24<br>178.91 | 174.71<br>176.39 |
| Soymeal<br>Delivered Wpg/S.Man | 474 | 473    | 478              | 481              | 484              | 491              |                  |                  |                  |                  |

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