

US Slaughter	
479,000	Wednesday
437,000	Year Ago
Daily Prices	
Iowa/S. MN.	\$78.00
W. Corn Belt	\$77.74
National	\$79.32
ML Signature 5	\$189.00
HyLife (prev. day)	\$186.99
TCP/BP2	\$189.00
BP4/TCP4	\$187.86
BoC Rate (Noon) prev. day \$1.3343 CAD / \$0.7494 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 USDA has cited "packer submission problems" and has announced that the National (lm_hg201) report will be delayed while the ISM and WCB regions showed increases of \$1.24 USD/cwt on average from the previous day. The move in the ISM and WCB regions represents the second day in a row this week that the cash markets are on an upward tack, but it hardly represents a turnaround in the trend which has seen pressure develop since the week ending May 18. As noted earlier this week, daily cash markets are approximately 6% lower in value than the weekly historical averages and markets have little reason to move higher presently. Cut-out pressure combined with massive supplies and a lacklustre export profile (relative to expectations) are all in part pressuring the regional cash markets. If the present daily trend continues, the weekly average price of the cut out will come in approximately 19% lower than the five year average and represent the lowest value of the carcass seen at this time of year since the USDA began reporting cut out values in this manner in 2013. While China did appear on the weekly export sales report this morning (taking physical delivery of 5,800 MT of US pork from previously committed volumes), new commitments (or intentions) painted a different picture where reductions (i.e. cancellations) from China amounted to 100 MT for the June 7 to June 13 time period. To be sure, the cancelled commitment is not a large number, but the move stands in stark contrast to views suggesting China will need pork in the future amid the expected pork shortfall due to ASF in the region. To date, the other ASF hot spot (Vietnam) has not been significantly represented in the data. Lean hog futures have completely erased any ASF premium from the summer contracts that developed in March on massive speculation, and only the deferreds are showing any expectation of a positive demand development at present.

Canadian delivered forward contract prices opened higher this morning. US soybean futures are trading higher as net sales came in just slightly higher than the half-way point of the pre-report 200,000-800,000 MT estimated range. The 571,500 MT of net sales that were committed represent a 34% increase over the rolling four-week average. China did take delivery of ~340,000 MT from previous commitments but did not officially make any more commitments; 141,400 in commitments were reported for an unknown destination.

US corn futures opened higher this morning. This morning's export sales report showed net sales commitments were down 77% from the previous week and 90% from the rolling four-week average at 38,400 MT against a pre-report expectation that put the low estimate at 300,000 MT(!). This is atypical of the committed volume normally seen at this time of year but market watchers are not worried that it is the development of a trend yet.

Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig. #5		178.72	180.93 186.51	173.68 179.74	170.08 173.99	166.40 173.99	164.02 168.30	163.47 173.01	174.19 177.18	173.03 174.69
Soymeal Delivered Wpg/S.Man	480	478	483	485	487	494				

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