

US Slaughter	
475,000	Tuesday
447,000	Year Ago
Daily Prices	
Iowa/S. MN.	72.39
W. Corn Belt	72.29
National	\$78.29
ML Signature 5	\$178.82
HyLife (prev. day)	\$181.81
TCP/BP2	\$178.82
BP4/TCP4	\$183.08
BoC Rate (Noon) prev. day \$1.3174 CAD / \$0.7591 USD	
Cash Prices Week Ending June 22, 2019	
Signature 3	187.95/85.25
Signature 4	187.81/85.19
Signature 5	187.88/85.22
h@ms Cash	185.81/84.28
HyLife	186.13/84.43
TCP/BP2	186.47/84.58
BP4/TCP4	187.92/85.24
Cumulative Top-Up Estimate \$3.29 CAD/ckg	
ISO Weans \$36.55 US Avg.	
Feeder Pigs \$54.04 US Avg.	

Forward contract prices opened lower this morning. After three consecutive days of not reporting due to confidentiality (and four days since last week so far), the USDA published ISM and WCB regional pricing which came in lower by \$5.61 and \$5.45 USD/cwt respectively compared to the last reported price on Thursday, June 20. The National region has likewise been under pressure (albeit more modestly) in a move that would be considered counter seasonal at this time of year. This atypical price action would be news in itself as the historical pattern is to see a summer high price reached in (or near) marketing week 27 next week (on average). So far, however, it appears that the high price was achieved at the end of May and the US cash market remains under pressure amid massive supply. But even more pressure could develop on the horizon following the events that transpired yesterday. By Tuesday evening, news started to surface that China was going to halt all meat imports from Canada. CBC news is reporting that the CFIA notified Chinese authorities that 'fake veterinary certificates' for some products were discovered in the pipeline while Reuters is reporting that Chinese authorities discovered as many as 188 'counterfeit' veterinary documents themselves. In either case, the net result is that Canadian pork will be effectively banned from entering China starting today (Wednesday) for a period of time that is not yet certain; the move will likely be highly disruptive to supply chains in the short term. For context, data compiled by the US Meat Export Federation shows Canada shipped ~143,000 MT of pork and variety meat to China from January to April this year, a 51% increase over year ago, compared to the ~88,000 MT shipped to the USA (19% less y/y) which is likely a function of ASF-related purchasing activity as China shuns the US market despite the disease. Longer term, pricing impacts may develop if the pork now not allowed into China makes its way into the USA (from which Canadian prices are based) and potentially adds to the glut of supply in the current US market. In sum, China has been a very important market for Canadian pork and this story will be updated as new details emerge. Lean hog futures markets are under pressure, as they have been in recent memory, but there is no evidence that they are reacting to the China/Canada story at this time.

Canadian delivered forward contract prices opened lower this morning. All eyes will be on Friday's acreage and quarterly Grain Stocks reports where both will be released at 11:00AM Central time. Estimates ahead of the reports show analysts expect 84.355 million acres to be planted on average. The June WASDE report (which uses March intentions) has acreage pegged at 84.6 million. Quarterly stocks are expected to come in near 1.861 billion bushels.

US corn futures opened lower this morning. Like beans, the market is waiting for a big data day on Friday. Expectations for corn ahead of the release of the reports noted above suggests analysts are looking for 86.662 million acres of planted corn against the March intentions estimate of 92.792 (!) due to uncooperative planting weather. If true, it would represent the lowest June planted acreage estimate going back to 2010 (available data) and likely longer. Grain stocks are expected to come in at 5.332 billion bushels.

Forward Range (at opening)	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar
Maple Leaf Sig. #5			163.96 169.94	155.56 161.59	152.26 156.16	150.13 157.70	147.76 152.02	149.07 158.59	159.77 167.25	163.11 164.76
Soymeal Delivered Wpg/S.Man	468	467	472	474	475	483				

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Hams Marketing Services will be closed Mon., July 1 for Canada Day.

Risk Management will be closed one hour early on Wed., July 3 and all day on Thurs., July 4 for Independence Day (USA). Main office is open on the 3rd and 4th. The HMO and Opening Price reports will not be published on the 1st or 4th.

