

## US Slaughter

461,000	Monday
463,000	Year Ago

## Daily Prices

Iowa/S. MN.	68.97
W. Corn Belt	68.70
National	\$74.67
ML Signature 5	\$169.13
HyLife (prev. day)	\$171.99
TCP/BP2	\$169.13
BP4/TCP4	\$173.46

**BoC Rate (Noon) prev. day**  
\$1.3087 CAD / \$0.7641 USD

## Cash Prices Week Ending June 29, 2019

Signature 3	171.02/77.57
Signature 4	182.30/82.69
Signature 5	176.66/80.13
h@ms Cash	180.30/81.78
HyLife	180.53/81.89
TCP/BP2	187.88/85.22
BP4/TCP4	187.81/85.19

## Cumulative Top-Up Estimate

\$3.38 CAD/ckg

ISO Weans \$32.64 US Avg.

Feeder Pigs \$53.57 US Avg.

**Forward contract prices opened higher this morning.** US cash markets are lower to start the week and are trending along the lowest levels seen at this time of year post-2014. The National and WCB regional base prices are 8% and 11% lower than the seasonal average, respectively, which, depending on the region, is usually at its highest levels at this time of year. Not this year. 'High' cash values (so far) were witnessed at the end of May and have been attributed to strong demand when purchasers hedged against potential high prices and meat scarcity due to perceived ASF-related issues further out. To date, the expected ASF demand has not materialized substantially in the American pork market even though year over year exports into China are higher. In the meantime, the USA must clear a lot of pork from the market and there are ideas more is coming. Thursday's Hogs and Pigs report, for example, showed on farm efficiencies led to an increase in the pigs per litter category that was up 3.5% relative to a 0.8% expectation. However, there is information on two fronts that is providing support to the futures market. President Trump announced that no 'new' tariffs would be placed on China provided progress was being made on trade talks. This has thawed the frosty relationship that had been intensifying, and while no agreement or anything concrete has been established, the market took this as a positive development. As well, there was talk surfacing over the weekend that 'on-the-ground insiders' are suggesting the ASF death toll in China could be twice as high as currently reported. Of course, there is no way to substantiate this claim, but it is also making the rounds on industry-related social media, and folks participating in the discussion are generally in agreement. This could bode well for US pork industry further out, but the market is still very much in a wait and see holding pattern, albeit exhibiting signs of support. It could also mean a 'resurgence' in cash pricing and/or more cash support further out than normally seen in the timeline, depending on when this expected demand materializes.

**Canadian delivered forward contract prices opened lower this morning.** Soybean acreage took a hit on Friday's USDA report, coming in at only 80.0 million acres against an average expectation of 84.4 million acres. The move was largely considered a surprise but rationalized that farmers were prioritizing corn over beans. Grain stocks were slightly lower than pre-report expectations as well, coming in at 5.202 billion bu. against the 5.332 billion bu. expectation.

**US corn futures opened higher this morning.** Reaction was swift and not at all complimentary as the USDA reported 91.7 million acres will be planted in the US this year in Friday's Acreage report. That number is much higher than the 86.7 million acres expected on average by analysts ahead of the report. However, others were quick to point out that approximately 16% or that acreage was still 'intended' as of the survey period in a note that was included near the end of the report. As farmers know, a lot happened over the past month so if all that intended acreage does not get planted, the market could actually be looking at acreage in the low 80 million acre range.

Forward Range  
(at opening)

Jul

Aug

Sep

Oct

Nov

Dec

Jan

Feb

Mar

Maple Leaf  
Sig. #5

173.88  
178.72

165.48  
171.51

161.95  
165.85

161.01  
168.57

158.64  
162.90

161.39  
170.89

172.07  
178.11

173.98  
175.63

Soymeal  
Delivered Wpg/S.Man

452

458

461

463

471

470

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Risk Management will be closed one hour early on Wed., July 3

and all day on Thurs., July 4 for Independence Day (USA).

The Main office is open on the 3<sup>rd</sup> and 4<sup>th</sup>.

The HMO and Opening Prices will not be published on the 4<sup>th</sup>.

