

US Slaughter	
472,000	Wednesday
464,000	Year Ago
Daily Prices	
Iowa/S. MN.	\$74.25
W. Corn Belt	\$74.07
National	\$82.95
ML Signature 5	\$188.52
HyLife (prev. day)	\$193.49
TCP/BP2	\$188.52
BP4/TCP4	\$196.16
BoC Rate (Noon) prev. day \$1.3322 CAD / \$0.7510 USD	
Cash Prices Week Ending August 3, 2019	
Signature 3	194.15/88.07
Signature 4	190.42/86.37
Signature 5	192.29/87.22
h@ms Cash	188.42/85.47
HyLife	190.01/86.19
TCP/BP2	187.87/85.22
BP4/TCP4	176.50/80.06
Cumulative Top-Up Estimate \$2.43 CAD/ckg	
ISO Weans \$35.48 US Avg.	
Feeder Pigs \$49.74 US Avg.	

Forward contract prices opened higher this morning. US cash markets are all lower with the National region down just over \$1 while ISM and WCB regions were \$1.33 and \$1.45 USD/cwt lower, respectively, than the previous day. While the individual values of the primal cuts remain mixed, the net carcass remains in 'the middle of the road' relative to history. Three years are higher (including 2014), two are lower, and today's value is just slightly higher than 2% over the five-year average (not including 2014). Weights have come more in line with seasonality following a brief counter seasonal move seen in June. Today, live weights are lower than the historical averages seen at this time of year, but last week, the trend appeared to have turned around, and with cooler temperatures and fresh corn from harvest coming soon, the market will likely have to contend with higher weights (and subsequently more pork) in the not too distant future. Lean hog futures have started to climb out of the lows put in at the beginning of the week and there are some analysts claiming Monday could have been the bottom, although the market has a long way to go (~20%) before the values seen in late July (never mind April) resurface. This morning's export sales report showed China committed to 1,400 MT of new US pork while taking physical delivery of 8,600 MT for week ending August 1. Recall, however, that the ramping up of hostilities between the USA and China did not materialize until after that date and China did not announce their intention to not purchase US agricultural products until the Canadian long weekend. As such, today's numbers could mean very little materially, and at least a couple of pundits are suggesting more cancellations could surface in subsequent reports. If true, it would likely limit market gains until new trade talks resume in September which could also see new pressure if the threatened tariffs go into effect on September 1.

Canadian delivered soymeal prices opened higher this morning. This morning's export sales report showed net sales came in 29% lower than the previous week but up 25% from the four-week average. The 101,700 MT reported were just slightly higher than the lower end of the estimated range of 100,000 to 700,000 MT. Support this morning is thought to be a function of pre-WASDE report positioning ahead of next Monday's release.

US corn futures opened higher this morning. Like bean, US corn futures are higher on perceived pre-WASDE report positioning and residual movement following the release of the ethanol report yesterday which showed the largest one week drop in stocks since the report began in 2010. Net export sales released this morning were dismal, coming in at 42,600 for the week against a 300,000 to 900,000 MT pre-report range of expectations. Physical exports were much better at 692,600 MT but still represent a lowering in the trend.

Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #5		154.17 159.12	150.06 152.33	139.89 146.52	139.98 141.69	140.76 150.67	153.54 155.09	153.61 155.64	159.97 163.87	164.03 173.49
Soymeal Delivered Wpg/S.Man	448	451	453	458	458	461				

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