

US Slaughter	
466,000	Tuesday
467,000	Year Ago
Daily Prices	
Iowa/S. MN.	\$69.71
W. Corn Belt	\$69.17
National	\$81.49
ML Signature 5	\$179.61
HyLife (prev. day)	\$189.62
TCP/BP2	\$179.61
BP4/TCP4	\$191.42
BoC Rate (Noon) prev. day \$1.3234 CAD / \$0.7560 USD	
Cash Prices Week Ending August 10, 2019	
Signature 3	182.43/82.75
Signature 4	196.80/89.27
Signature 5	189.61/86.01
h@ms Cash	194.80/88.36
HyLife	194.15/88.07
TCP/BP2	192.29/87.22
BP4/TCP4	190.42/86.37
Cumulative Top-Up Estimate \$2.60 CAD/ckg	
ISO Weans \$20.00 US Avg.	
Feeder Pigs \$35.32 US Avg.	

Forward contract prices opened mixed this morning. US cash markets have pushed lower for the second consecutive day this week with ISM, WCB, and National reporting regions down \$2.54, \$2.68, and \$0.96 USD/cwt, respectively. The cash trade appears to be moving in a more seasonal pattern and history shows us weakness starts to develop in cash approximately after marketing week 27 (current marketing week is 33). This year, however, markets rebounded after some weakness in June on ideas that export movements to China were ramping up following some positive numbers in the weekly export sales report. Since then, tensions have intensified between the USA and China and the US is now threatening to impose a 10% tariff on the 'remaining' \$300 billion in goods which would then, essentially, cover almost everything when the previous tariffs are considered. Chinese authorities have apparently directed state owned enterprises to not purchase any agriculture products from the USA as a countermeasure. Despite this, cash markets are still approximately 10% higher than same period year ago, although there are expectations for some additional pressure to be applied heading into the autumn. Meanwhile, the downside is being kept in check on hopes export activity will be supported by 'backfill' to other nations as China ramps up global purchase activity more so than now (excluding USA), but at an as-yet-undetermined time in the future. Lean hog futures have yet to price in that development and are currently trading at levels before the initial ASF premium that surfaced in March and lasted into April. That premium seen in the spring has all but evaporated although forward contract levels for all periods are reflecting elevated values compared to the three-year cash settled averages (and other, individual years) at the open this morning.

Canadian delivered soymeal prices opened higher this morning. Yesterday's WASDE report included a few surprises (although more so for wheat and corn) as the USDA showed bean acres to come in at 76.7 million acres against an 81.006 million acre average estimate. Yield expectations remained unchanged from the June acreage report at 48.5 bpa while new crop ending stocks were pegged lower at 755 million bu compared to the 821 million bu average expectation. Old crop ending stocks remain at a burdensome 1.07 billion bu which was raised slightly from the pre-report estimate of 1.065 and was considered bearish, nonetheless.

US corn futures opened lower this morning. The big surprise was reserved for US corn numbers where the USDA lowered acreage by only 1.7 million acres (to 90.0 million) compared to the controversial July report (91.7 million). The controversy has yet to subside, though, with a prevent plant acreage pushing over 11 million acres. Thus, if true, planted acreage could be over 101 million acres according to some. Of course, this is highly unlikely and the declaration of prevent plant has much to do with technical insurance reasons that will be revealed in the coming months. In the meantime, markets turned significantly lower, reaching limit lows on the day, and remain under pressure this morning. New crop ending stocks are pegged at over 2.18 billion bu although with the lateness of this crop, an early frost could change that quickly.

Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May
Maple Leaf Sig. #5		156.60 159.39	152.39 154.65	142.96 149.54	142.06 144.74	148.66 158.54	160.38 165.90	164.42 166.45	170.23 174.10	174.46 183.85
Soymeal Delivered Wpg/S.Man	448	451	453	459	459	461				

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