

Our weekly “Production and Price Summary” will be included in tomorrow’s edition since data for last week were not published due to Friday’s observance of Independence Day.

It appears that July 6, 2015 may go down as a historical day on two counts.

First, CME Group will close most of its remaining trading pits today. It is a sad day that we have seen coming for a long time. Only the Standard and Poor’s 500 index futures and options on futures pits will remain after today. The exchange originally intended to close the others last Thursday but extended the shutdown date due to a technicality with its CFTC filing.

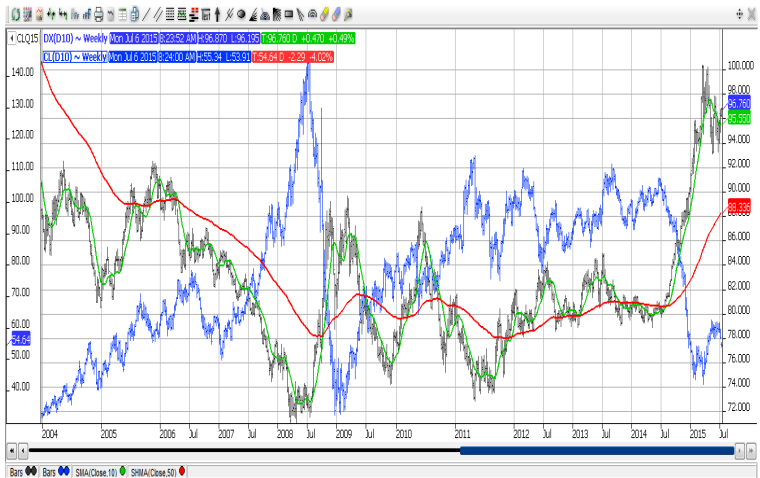
For many of us in the agricultural commodities business, the spectacle of the trading floors at the Chicago Mercantile Exchange and Chicago Board of Trade piqued an early interest in markets and the way they work. “There is no way THAT could be understandable or organized, is there?” many of us asked. But of course it was. The shouting and hand signals all had meaning that was clearly understood by the men — and a few women — who were on the floors. The room looked like a rainbow long before rainbows were in fashion. And the people who worked there were colorful as well. To say the least!

The number of people involved in the pits, of course, has dwindled for many years as efficient electronic trading platforms were developed and implemented. There are several news stories available online today that chronicle the history of “the pits” and of people and families that earned their livings there. You might want to take a look at them. Some recall individuals. Others recall “the roar” of the pits. We remember the sheer excitement of watching what seemed to be thousands of people crowded into a Eurodollar pit as recent as the early ‘00s. And the cacophony that struck you as you walked on the trading floor right at the close when everyone, it seemed, just HAD to get a position before trading ceased for the day. It was like there was no tomorrow when, of course, there was. Until today.

Computers may be more efficient but they aren’t nearly as much fun. Farewell to another old friend.

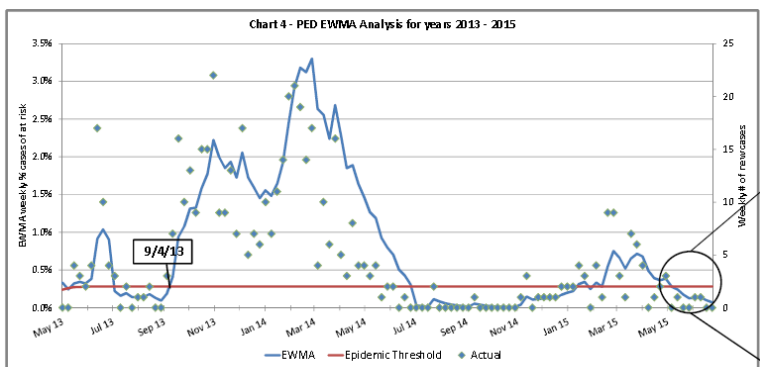
The second thing for which today may be noted is the impact of Greece’s rejection yesterday of the latest bailout and austerity plan from the EU. Over 60 percent of voters cast their ballots against the plan that would have placed additional limitations on the Greek government and economy in return for much needed cash. Greece’s Finance Minister Yanis Varoufakis, who yesterday declared the vote a “majestic, big YES to a democratic Europe” has now resigned. The EU has scheduled meetings for tomorrow. German Chancellor Angela Merkel will meet with French President Francois Hollande this afternoon (U.S. time) to discuss a response.

Pundits are warning of a significant decline in equity markets. Mini Dow futures are off nearly 150 points this morning. The nearby contract for WTI crude oil is down \$2.73 to \$54.20/bbl. as of this writing.



ing. That price is the lowest for WTI crude since April 10. The dollar index is up 0.50 to 96.80 early this morning. This negative relationship between the dollar and crude oil is very well established at this time so any decline in crude likely spells more challenges for U.S. exports.

The news remains positive for both of the recent major animal health challenges in the U.S. There were no new avian influenza cases for the third straight week. The last reported case was the week of June 17. Layers and layer pullets account for 80% of the 48 million birds either killed by the disease or destroyed to slow its spread. There have still been no cases in commercial broiler flocks in major broiler production areas. Egg supplies — and especially processed eggs supplies — are showing the impact with 15% fewer eggs broken in May than one year ago. Whole eggs supplies were down 7% in May but prices have declined since that May spike. One retail contact reported that the purchase pull-back at those high prices was far more than they expected. There were also no new sow farms in the University of Minnesota’s large sample that broke with PEDv last week. If last year is an indication, we should be entering the quietest time of the year for PEDv — after a very mild winter of ‘14-’15.



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