

Hog Prices: ↑ ↓ Soymeal: ↓
Corn: ↑ CDN Dollar: ↑

Forward contract prices opened mixed this morning. US cash markets started the holiday shortened slaughter week with steady to lower prices, as packers had little difficulty meeting their slaughter requirements. Yesterday's slaughter was estimated at 435,000, the largest slaughter day that we have seen since last winter, but compensates for the holiday taken by the industry on Monday. US pork export sales have been sluggish, with the total July volume coming in 4% smaller than year ago levels. Recall that US pork prices were more than 25% higher last year, which should have led importing countries to increase their purchases this year. The high US Dollar has worked against pork exports, allowing less expensive products from the European Union to gain favour in many of the Asian markets. Lowered expectations for US pork exports have contributed to the inability of forward prices to make any significant gains. However, January – April prices are currently at their highest levels in a month and down only about 5% from their highs.

Canadian delivered soymeal prices opened lower this morning. The support in the US soybean trade that has materialized is likely a function of technical logic and short position covering ahead of Friday's WASDE report. This particular report is significant because it is widely expected that the USDA will adjust yield estimates lower in part as a result of overstated estimates from the last report, as well as lowered yield expectations during this season's harvest. Current yield estimates range between 45.4 and 47.1 bpa. Although soybeans are priced at the lowest US levels in years, the current exchange rate does not allow Canadian buyers the same level of discount.

US corn futures opened higher this morning. Like soybeans, corn is technically positioned for a sustained turnaround amid lows not seen in recent memory. As well, there is talk that a fair amount of pre-WASDE report short covering is taking place ahead of Friday's release. The average pre-report yield estimate is coming in at 167.6 bpa, down from the USDA's current 168.8 bpa but not as low as some have suggested. If Friday's numbers come in amid the lower estimates, there will likely be some sustained support in the short to mid-term, although there is talk the market has already priced lower expectations.

US Slaughter	
435,000	Tuesday
404,000	Tuesday (year ago)
W. Corn Belt	\$67.23
National Price	\$74.94
Daily Sig 3	\$162.61
Daily Sig 4	\$175.51
Thunder Creek	\$162.43
4-Month Fwd.	\$ 143.52
B of C Ex. Rate (Noon)	
\$1.3195 CAD / \$0.7579 USD	
Cash Prices Week Ending September 5, 2015	
Signature 3	170.50/77.34
Signature 4	181.61/82.38
h@ms Cash	169.00/76.66
Hylife	179.71/81.52
Thunder Creek	179.20/81.28
ISO Weans	\$24.73 US Avg.
Feeder Pigs	\$38.94 US Avg.
#1 Export Sows (Tagged)	
\$56.50 cwt. (+500lbs.)	

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		142.43 159.75	133.37 139.41	138.81 143.03	138.81 148.65	152.27 155.29	153.48 157.10	157.70 165.70	171.76 181.45	182.66 188.72	186.97 189.32
Maple Leaf Sig. #4		150.55 162.53	139.09 147.51	143.54 147.28	143.54 147.28	153.76 157.03	156.21 159.02	159.95 166.56	170.90 181.69	182.16 186.39	187.74 189.67
Soymeal Winnipeg Delivered	490	486	480	480	478	480	480				
Corn	Local delivered price available on request										

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STRENGTH IN NUMBERS

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All local h@ms soymeal deliveries are suspended until September 11 as US suppliers shut down for maintenance.