

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

## Forward contract prices opened mostly higher this morning.

US cash markets are off to a two-sided start this week; ISM is down \$0.03, WCB is up \$0.14, and the National reporting region is down \$0.22 USD/cwt. from the previous session. The pork cutout is also a bit choppy, evinced by plus/minus primal cut price movements from the previous day (loins and picnics were down – bellies, butts, ribs and hams were up for a net change of \$0.90USD/cwt). There is talk that there could be some underlying strength in the short term as the Saturday kill brought weekly slaughter higher than previous week to 2.291 million head when a decrease was expected and slaughter come in less than 2.236 million head. Lean hog futures are likewise trading mixed to start the week; contracts out to February are higher while contracts from April are trading lower as of this writing. News of some decent export data including strong sales to China and some uncertainty with a Eurasian African Swine Fever outbreak is providing some underlying support. However, the Mexican market is down significantly and so far, supply chains in Europe are not under extreme duress yet.

## Canadian delivered soymeal prices opened higher this morning.

Thoughts that this week's crop tour reports could show yields as high as 53.8 bpa is a pressuring factor. Despite warnings of heat stress earlier on in the growing season, conditions have been near ideal for most areas. However, demand has been exceptional as well. Recent sales to China coming in at 4.721 MMT so far are being described as remarkable and is in part adding a supportive tone to the market. Palm growing regions have been struggling with weather issues adding support to the oilseeds trade and subsequently, on to the soy complex.

**US corn futures opened lower this morning.** Fundamentals remain weak for the US corn trade and some fund traders have increased their short positions adding to the pressure on the market. However, some are cautioning that short covering could develop and a short term rally may be in the works. The extent to which a rally, if any, can be sustained remains to be seen as there is a lot of corn expected to be produced this growing season and market clearing demand has yet to develop, even amid these lows. China has announced more sales of state reserves for this week adding to the pressure.

US Slaughter	
2.291 mil.	Last Week
2.231 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$63.43
National	\$68.04
Iowa/S. MN.	\$63.50
Signature 3	\$149.73
HyLife	\$152.99
TCP/Britco	\$149.60
Sig 3 4-Month Fwd.	\$128.34
<b>BoC Rate (Noon) prev. day</b> \$1.2878 CAD / \$0.7765 USD	
Cash Prices Week Ending August 20, 2016	
Signature 3	150.92/68.46
h@ms Cash	149.42/67.78
HyLife	154.49/70.08
TCP/Britco	150.80/68.40
ISO Weans	\$20.76 US Avg.
Feeder Pigs	\$27.73 US Avg.
#1 Export Sows (+500lbs.) \$52.00/cwt. (Tagged)	

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #3			138.72 139.90	118.01 133.98	119.79 125.70	121.49 129.76	134.48 135.66	137.27 138.45	141.40 153.26	155.19 168.14	164.61 172.25
Maple Leaf Sig. #5			140.30 141.12	123.96 138.23	123.84 129.36	125.16 131.08	135.27 138.52	139.99 141.15	143.63 153.74	154.07 168.78	165.42 170.47
Soymeal Wpg Del.	480	476	473	473	473	469					
Corn	Local delivered price available on request										

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