

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

US Slaughter	
424,000	Monday
430,000	Monday (year ago)
Daily Prices	
W. Corn Belt	\$60.59
National	\$67.49
Iowa/S. MN.	\$61.03
Signature 3	\$144.59
HyLife	\$153.78
TCP/Britco	\$145.32
Sig 3 4-Month Fwd.	\$128.16
BoC Rate (Noon) prev. day \$1.3019 CAD / \$0.7681 USD	
Cash Prices Week Ending August 27, 2016	
Signature 3	148.94/67.56
h@ms Cash	147.44/66.88
HyLife	154.44/70.05
TCP/Britco	150.70/68.36
ISO Weans	\$19.52 US Avg.
Feeder Pigs	\$29.71 US Avg.
#1 Export Sows (+500lbs.) \$52.00/cwt. (Tagged)	

Forward contract prices opened mostly higher this morning. US cash markets are trading near steady with hog supplies easing over the last week. There has been no measurable difference in carcass weights which would lead one to the conclusion that US producers are current with their hog marketings. It may be too early to tell, but the bulge in hog supplies, where several weeks in August exceeded year ago levels by more than 2.5%, may be behind us. The temporary supply increase may have been related to a lingering effect from last year's issue with a faulty semen extender, but it is difficult to prove this connection. The hog slaughter over the next 2 weeks will be a strong indicator of the coming fall trend; if we maintain hog numbers more than 2.5% over year ago levels, futures will probably erode to new contract lows with all other factors being held constant. Producers without protection in the first Quarter of 2017 should look to cover 1/3 of their intended production on today's support, which would provide some certainty in late winter cash flow.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading lower, pressured by the looming large supplies expected to be harvested, and thoughts that a recent record large long position may need to be liquidated by the funds when the final (assumed large) harvest numbers start to come in. Both soybeans and soyoil futures saw a net increase in speculators' long positions over the previous week. This situation almost mirrors events that took place last year that saw the large funds liquidate those long positions (at a loss) when it became clear that the harvest would indeed be large. To date, if weather remains non-threatening, the US is poised to bring in the largest soybean crop in history.

US corn futures opened lower this morning. Pressure on the US corn market is, like beans, a function of large expected supplies supported by evidence showing 75% of the US corn crop was in good/excellent condition, unchanged from last week and 20% higher than the 55% 5-year average. The move lower comes despite reports from the Pro Farmer crop tour that has so far calculated average yield to be in the 170.2 bpa range contrasted with the official USDA estimate of 175.1 bpa. In any event, this year's crop is expected to be record large, and harvest pressure could develop, although there is talk the market has some of this pressure already built in.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #3			139.41 140.61	117.37 133.54	119.17 125.16	121.23 129.61	134.39 135.59	135.95 137.14	140.14 151.99	154.80 167.90	164.33 172.07
Maple Leaf Sig. #5			141.03 141.86	123.42 137.87	123.30 128.89	124.97 130.98	135.22 138.52	138.75 139.93	142.45 152.52	153.70 168.59	165.19 170.30
Soymeal Wpg Del.	463	463	459	456	456	454					
Corn	Local delivered price available on request										

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