

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

US Slaughter	
437,000	Thursday
420,000	Thursday (year ago)
Daily Prices	
W. Corn Belt	\$54.92
National	\$64.70
Iowa/S. MN.	\$54.96
Signature 3	\$132.34
HyLife	\$150.18
TCP/Britco	\$132.14
Sig 3 4-Month Fwd.	\$110.89
BoC Rate (Noon) prev. day \$1.3146 CAD / \$0.7607 USD	
Cash Prices Week Ending September 17, 2016	
Signature 3	136.89/62.09
h@ms Cash	135.39/61.41
HyLife	n/a
TCP/Britco	139.70/63.37
ISO Weans	\$20.07 US Avg.
Feeder Pigs	\$28.71 US Avg.
#1 Export Sows (+500lbs.) \$34.00/cwt. (Tagged)	

Forward contract prices opened lower this morning. US cash markets are finishing the week lower with all regions reporting a decline below the benchmark \$55 USD/cwt. Pork product values experienced broad weakness with all cuts moving lower and contributing to the nearly \$2.00/cwt decline in the pork carcass cut-out. This move cuts into packer operating margins and only serves to reinforce the reactive approach that packers have taken by adding hours to their weekend production schedule. Lean hog futures are also trading lower to finish the week with fall and winter contracts trading near contract lows that were established in yesterday's trade. Most agricultural commodities have been on a lower trend over the last few months, largely due to abundant supplies of grains, oilseeds and meat. Producers that are still looking for price protection should focus their efforts on the new year and consider targeting levels \$10-\$12 CAD/kg higher than current forward prices.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are supported on news that additional export sales have been made (110,000 yesterday). This brings the total to 43.6% of the forecast compared to a 49.5% 5-year average and there are thoughts that sales will surpass forecasts if the pace remains near as strong as it has been. Brazil planting began September 1 and a major seed company has suggested sales of the 'second generation' seed (similarly thought to be at least partially responsible for some of the large yields in the US this year) will improve by 57%. If yields improve for Brazil as well, there could be a large crop from the region in a couple months. There is talk Brazil farmers are expected to favour beans over corn when they can.

US corn futures opened higher this morning. Talk that South American farmers might favour beans over corn is providing some support to a market that has been trading under pressure following the bearish WASDE report and lacklustre export sales. There is also some wetter weather forecast and thoughts that regional soggy weather could slow down harvest activity. Despite the relatively large official yield estimate of 174.4 bpa, (and 2.3+ billion in ending stocks estimates) there is still talk coming from the field that some areas may not be performing as well as first thought, and that if the wet weather keeps up, some quality issues could surface.

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		124.37 125.58	99.57 115.95	101.39 107.46	104.16 112.71	117.50 118.71	121.50 122.71	125.74 138.33	141.31 154.63	151.00 161.90	158.65 160.08
Maple Leaf Sig. #5		126.28 127.12	106.00 120.64	105.88 111.54	108.25 114.33	118.63 121.97	124.60 125.79	128.34 139.13	140.44 155.58	152.12 161.30	159.70 161.02
Soymeal Wpg Del.	457	457	455	455	455	459					
Corn	Local delivered price available on request										

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