

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

## Forward contract prices opened mostly higher this morning.

US cash markets are starting this week lower as the weekly hog slaughter ballooned to nearly 2.359 million hogs, or 3.1% larger than the same week last year. The size of the current weekly slaughter only reached this level in November of last year, suggesting that if we maintain the normal seasonal trend we will see weeks in December that approach 2.5 million hogs. However, it is worth noting that average carcass weights have moderated at around 207 lbs. versus last year's 210 lb. level. Lean hog futures reflect the abundant supply that is expected over the next 5 months with all contracts trading at a discount to the cash market. However, the market remains volatile and producers are reminded that pricing opportunities do arise from time to time, often with influence coming from the large speculators adjusting their positions. Producers should look at adding protection to the Jan – Mar timeframe by setting targets approximately \$10/ckg higher than current forward prices.

## Canadian delivered soymeal prices opened mostly higher this morning.

US soybean futures are trading higher following the technical bounce that initiated some strength last week. Thoughts that some of the funds are ramping up short covering activity is exacerbating a situation that is also seeing some concern over expectations of wetter weather in some of the Midwestern states. The concern is over a slower/slower harvest (therefore a slower flow of beans to market) and an increasing potential for quality and disease issues if the wet weather persists. As well, Chinese buyers are expected to re-enter the market after a holiday, but there is some preliminary talk that bean sales to the region in a marketing year context will not be as high as previously thought.

## US corn futures opened higher this morning.

Some wet weather influencing harvest delays in the Southern and Western Corn Belt and thoughts that wet weather in south America (too) will slow planting are supportive factors this morning. However, there is some drier weather forecast in other US growing regions and the wet weather in Argentina is falling ahead of the big planting push. As such, there is talk that the market is just a bit jittery in the absence of any news and merely looking for direction. Like beans, the technical bounce last week has paved the way for some upward momentum especially after spending so much time in oversold territory. However, the US corn trade is considered to have a bearish tone despite this morning's strength – so far.

US Slaughter	
2.359 mil.	Last Week
2.287 mil.	Last Week (year ago)
Daily Prices	
W. Corn Belt	\$54.02
National	\$64.21
Iowa/S. MN.	\$54.28
Signature 3	\$130.83
HyLife	\$148.57
TCP/Britco	\$131.17
Sig 3 4-Month Fwd.	\$111.42
<b>BoC Rate (Noon) prev. day</b> \$1.3213 CAD / \$0.7568 USD	
Cash Prices Week Ending September 17, 2016	
Signature 3	136.89/62.09
h@ms Cash	135.39/61.41
HyLife	149.89/67.99
TCP/Britco	139.70/63.37
ISO Weans	\$16.30 US Avg.
Feeder Pigs	\$27.02 US Avg.
#1 Export Sows (+500lbs.) \$34.00/cwt. (Tagged)	

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #3		126.15 127.36	100.34 116.62	102.15 108.18	104.99 113.44	118.27 119.47	122.01 123.22	126.23 138.47	142.61 155.85	152.24 163.07	157.65 161.27
Maple Leaf Sig. #5		128.01 128.84	106.71 121.27	106.59 112.22	109.04 115.10	119.37 122.70	125.08 126.27	128.81 139.25	141.72 156.76	153.32 162.45	160.21 162.16
Soymeal Wpg Del.	457	4567	456	456	455	459					
Corn	Local delivered price available on request										

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