

Hog Prices: ↑ Soymeal: ↓

Corn: ↑ CDN Dollar: ↓

US Slaughter	
450,000	Thursday
439,000	Year Ago
Daily Prices	
W. Corn Belt	\$53.57
National	\$66.15
Iowa/S. MN.	\$53.79
Signature 5	\$131.71
HyLife (prev. day)	\$141.89
Britco (prev. day)	\$120.00
TCP/BP2	\$131.71
<b>BoC Rate (Noon) prev. day</b>	
\$1.2198 CAD / \$0.8198 USD	
Cash Prices Week Ending September 16, 2017	
Signature 3	124.93/56.67
Signature 4	146.86/66.62
Signature 5	135.89/61.64
h@ms Cash	134.39/60.96
HyLife	n/a
Britco	135.01/61.24
TCP/BP2	147.10/66.72
Year-to-Date Top-Up Estimate	
\$3.49/ckg (call for details)	
ISO Weans	\$22.54 US Avg.
Feeder Pigs	\$37.86 US Avg.

## Forward contract prices opened mostly higher this morning.

US regional cash markets are finishing the week lower with no signs of the weaker trend abating. Over the last month, the USDA has reported the negotiated prices as having dropped nearly US\$25/cwt which has so far averaged more than US\$1.00/cwt every trading day. Supplies have been growing at a pace consistent with the USDA Hogs and Pigs survey, but carcass weights are also climbing at a fast pace suggesting that producers may be falling behind with their marketings. Recent export sales volumes are doing little to promote confidence from a demand perspective with the latest weekly data pegging exports about 25% lower than the 4-week average as well as below year-ago levels. The bearish fundamentals help explain why the October contract is trading at discount that is 6 times larger to the Lean Hog Index price than is typical for this time of year suggesting that traders do not anticipate a turnaround any time soon. No additional price protection is recommended for the remaining 2017 contracts at current prices, but producers can set targets in the Jan – Mar timeframe at \$15/ckg higher than current forward prices.

## Canadian delivered soymeal prices opened lower this morning.

Following an eventful week that saw the release of the September WASDE report, nearby US soybean futures are settling within the upper end of the new range which is lower than the July trend, but higher than August. There are a variety of opinions on the current USDA estimates (including those that agree with them), but many in the market are still of the view that the estimates are a bit high, given the current conditions, and the recent support has likely been a function of that view. Immediately following the release of the bearish reports, October meal contacts dipped into the high \$390s (CAD/MT), but they have recovered to near \$415 CAD/MT to finish the week. Producers ordering meal are reminded to order their trucks with the knowledge that harvest will be ramping up and resources will be limited.

**US corn futures opened higher this morning.** While the futures are trading higher to finish the week, there have been some market watchers suggesting the action could be a function of pre-harvest activity when some pressure is expected to re-enter the trade. This week's WASDE report pushed the market lower, but, like beans, has recovered somewhat after facing criticism that the USDA estimates were once again estimated too high. The September report used late August data (when conditions improved) so the criticisms may have some merit. In the meantime, new (and unofficial) production news and rumors will likely start to trickle out as harvest ramps up.

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #5		126.33 127.32	115.89 126.73	113.62 121.21	122.75 130.31	130.86 133.78	137.77 142.48	142.38 142.49	146.76 158.66	156.62 167.87	166.06
Soymeal Wpg Delivered.	424	410	415	415	421	425					

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