

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

US Slaughter	
460,000	Tuesday
455,000	Year Ago
Daily Prices	
W. Corn Belt	\$47.77
National	\$59.39
Iowa/S. MN.	\$47.78
Signature 5	\$119.36
HyLife (prev. day)	\$129.00
Britco (prev. day)	\$108.10
TCP/BP2	\$119.36
<b>BoC Rate (Noon) prev. day</b> \$1.2370CAD / \$0.8084 USD	
Cash Prices Week Ending September 23, 2017	
Signature 3	115.29/52.30
Signature 4	137.78/62.50
Signature 5	126.54/57.40
h@ms Cash	125.04/56.72
HyLife	134.53/61.02
Britco	122.53/55.58
TCP/BP2	135.89/61.64
Year-to-Date Top-Up Estimate	
\$3.70/ckg (call for details)	
ISO Weans	\$24.26 US Avg.
Feeder Pigs	\$38.93 US Avg.

**Forward contract prices opened higher this morning.** US cash markets traded near steady in yesterday's trade even as the total US daily hog slaughter is operating at a record high level of 460,000 hogs. However, the record setting daily production levels are dropping more pork on the market which is contributing to the weakness in the pork carcass cut-out. The benchmark price for wholesale pork fell another US\$1.00/cwt, the lowest level seen since January 2016 and lower than any time in the 4<sup>th</sup> Quarter of last year. Production is only expected to build over the next 2 months, but the 3<sup>rd</sup> Quarter Hogs and Pigs report that is to be released tomorrow will provide more details on what to expect. Urner Barry, a source of meat related market info, surveys analysts and revealed large variations in production estimates in their pre-report poll. The estimates of market hog weight categories ranged between 100.7% and 104.0%, which could result in added price volatility in Friday's trade. Producers looking for added price protection in the Nov-Dec timeframe should secure current prices ahead of the report on Thursday, as these forward prices current represent fair value in the context of the current market uncertainty.

**Canadian delivered soymeal prices opened lower this morning.** With harvest progressing, no new sales announcements yesterday and thoughts that the September 1 stocks situation will come in higher than last year, market sentiment has harboured a bearish tone. Like the crop tours, preliminary harvest results are coming in better than expected and while there will inevitably be some areas of concern, the market is not bracing itself for widespread production losses due to late planting or poor yield estimates, etc. The September 1 grains stocks report will be released by the USDA on Friday September 29 and so far, the market's guess is that levels will be slightly lower than the September WASDE report but higher than last year by some 142 million bu.

**US corn futures opened lower this morning.** The trade turned lower in yesterday's session after five sessions of supportive action. However, the turnaround does not represent a fundamental shift in direction; rather, it appears to be carving out the upper end of a new short-term range. Indeed, the December contract hasn't had much momentum (or rationale) to move much beyond the lower \$3.50s USD/bu. which is up from the high \$3.40s USD/bu. put in last week. The average projections ahead of the September 1 stocks report (released on Friday) could be behind some of the sluggishness; like beans, US corn stocks are expected to come in higher than last year by 608 million bu. on average and any impacts from a new Chinese ethanol program (or corn policy) is likely some time away.

Fixed Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul
Maple Leaf Sig. #5			118.62 123.23	118.55 126.24	123.09 134.13	134.69 137.65	139.48 147.56	147.34 147.45	151.75 163.84	161.77 173.19	168.22 169.60
Soymeal Wpg Delivered.	431	420	420	420	423	427					

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