

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

Forward contract prices opened mostly higher this morning.

US cash markets continue the trend seen last week and are lower to start the week. ISM is \$0.82 USD/cwt. lower, WCB is \$0.85 lower and the National reporting region is \$1.48 lower for Monday's pricing. Weekly slaughter came in at 2.333 million hogs representing a 2.1% increase over year ago while pork production increased by the same amount as weights held firm. Lean hog futures are once again higher for the second time in three sessions following a correction lower on Friday after support saw the October contract trade limit up at Thursday's day end. The initial move higher was widely reported as technical in nature following contract lows and an oversold condition. By Friday, however, the markets backed off from the interim strength and posted modest losses for the day. The pressure is likely to be maintained until some positive news develops. There is talk that Mexico and the US are closer on agreeing to some language in a new NAFTA agreement (and that 20 out of 30 chapters are finished), but a tri-lateral agreement is still likely a bit away. It would be helpful if the counter-tariffs to the steel and aluminum bans were lifted, but there is almost no news developing on that front. Even with the strength this morning, fourth quarter forward contract offerings are well off the three-year average benchmark.

Canadian delivered soymeal prices opened lower this morning.

Friday's WASDE report contained some surprising numbers that sent the soybean futures market lower. Some commentators were reminding market participants that overseas markets were closed by the time the report was released so they were cautioning against further weakness on Monday (today) which has yet to materialize in meal. On the other hand, US soybean futures contracts are trading lower as of this writing. The WASDE report showed the following: production came in at 4.586 billion bu on a 51.6 bpa yield and 785 million bu in ending stocks against expectations of 4.407 billion in production on a 49.6 bpa yield and 638 million bu in ending stocks.

US corn futures opened lower this morning.

US corn futures traded lower after the release of the August WASDE report, but the numbers were generally considered neutral by the trade. The report showed US new crop corn production to be estimated at 14.568 billion bu against the average trade expectation of 14.411 billion bu. Yield for the new crop was estimated at 178.4 bpa which was lower than the 180 bpa considered necessary to cover a general drawdown but still above the 176.2 bpa pre-market estimate. Ending stocks came in at 1.684 billion bu compared to the 1.636 billion bu. expectation.

US Slaughter	
2.333 mil.	Last Week
2.284 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$45.16
National	\$61.75
Iowa/S. MN.	\$45.22
ML Signature 5	\$126.13
HyLife (prev. day)	\$141.71
TCP/BP2	\$126.13
BoC Rate (Noon) prev. day \$1.3113 CAD / \$0.7626 USD	
Cash Prices Week Ending August 11, 2018	
Signature 3	119.73/54.31
Signature 4	151.74/68.83
Signature 5 Brandon	135.74/61.57
h@ms Cash	134.24/60.89
HyLife	n/a
TCP/BP2 Moose Jaw/Langley	153.23/69.50
2018 Top-Up Estimate	
\$4.44 ckg (call for details)	
ISO Weans	\$13.64 US Avg.
Feeder Pigs	\$24.00 US Avg.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		124.71 127.66	122.13 124.84	110.20 123.19	109.13 113.08	115.25 127.41	127.88 130.12	135.74 138.11	139.55 147.57	150.91 164.00	162.42 175.50
Soymeal Wpg/S. Man Delivered	477	475	475	476	476						

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