

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

US Slaughter	
456,000	Thursday
446,000	Year Ago
Daily Prices	
W. Corn Belt	\$41.76
National	\$57.69
Iowa/S. MN.	\$41.76
ML Signature 5	\$117.68
HyLife (prev. day)	\$133.40
TCP/BP2	\$117.68
<b>BoC Rate (Noon) prev. day</b> \$1.3152 CAD / \$0.7603 USD	
Cash Prices Week Ending August 18, 2018	
Signature 3	103.74/47.06
Signature 4	138.80/62.96
Signature 5 Brandon	121.27/55.01
h@ms Cash	119.77/54.33
HyLife	n/a
TCP/BP2 Moose Jaw/Langley	135.74/61.57
2018 Top-Up Estimate	
\$4.84 ckg (call for details)	
ISO Weans	\$13.64 US Avg.
Feeder Pigs	\$24.00 US Avg.

## Forward contract prices opened mostly higher this morning.

US cash markets continue to struggle to maintain their value with most regions reporting another \$0.50/cwt decline in yesterday's trade. Hog numbers are starting to build into the fall timeframe and the recent weekday production numbers are approaching estimated daily capacity. The market-ready hog supply is expected to grow by about 10% over the next month which will likely keep pressure on cash prices as packers will have an easier time meeting their production targets. Lean hog futures are seeing little influence from the cash market and most contracts closed 'limit up' in yesterday's trade, rallying to the highest level since early July. The 20% recovery that forward contract prices have experienced over the last nine trading days represents a very good hedging opportunity considering that all remaining 2018 forward contract prices are offered at a premium to current cash market values. Producers with no price protection should take advantage of the recent rally and secure prices on as much as half of their intended production for the September – February timeframe.

## Canadian delivered soymeal prices opened lower this morning.

News that a Chinese trade delegation will be speaking with US counterparts at the same time the market was trading at relatively low values was all the trade needed yesterday to mount a rally that hasn't been seen for some time. While beans did not see support to the same degree lean hog futures did, for example, the move was palpable. US soybean futures have backed off this morning in what could be considered a correction to close the week. While a resumption of trade talks is positive for the bean market, a deal has yet to be made.

**US corn futures opened lower this morning.** US corn futures followed the bean market higher yesterday on thoughts that the USA and China will soon resume trade talks. While the corn market will not benefit as directly as the bean market will from a friendlier China/US trade arrangement, the optimism also comes from thoughts that headway is also being made in Mexico. Indeed, there are some headlines in the ag press and social media suggesting that the language for a trade deal with Mexico could be agreed by the end of this month. One should remember, however, US congress has not 'authorized' a bilateral deal with Mexico, and Canada still must sign on for any new NAFTA to be completed. In the meantime, the current counter-tariffs by NAFTA partners are in response to the steel and aluminum dispute and there has been little news on that front, although an agreement on NAFTA language would likely bode well for Mexico.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		128.61 129.55	127.33 129.45	116.83 127.92	115.89 119.59	118.97 132.49	134.72 136.84	137.85 143.37	144.93 152.80	154.61 167.18	165.72 178.41
Soymeal Wpg/S. Man Delivered	488	485	486	488	488						

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STRENGTH IN NUMBERS

Some Important Phone Numbers

Main Office: 204-233-4991

Toll Free: 1-800-899-7675

Risk Management: 204-235-2237

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