

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

US Slaughter	
470,000	Thursday
447,000	Year Ago
Daily Prices	
W. Corn Belt	\$37.19
National	\$52.88
Iowa/S. MN.	\$37.19
ML Signature 5	\$105.83
HyLife (prev. day)	\$121.13
TCP/BP2	\$105.83
<b>BoC Rate (Noon) prev. day</b> \$1.3063 CAD / \$0.7655 USD	
Cash Prices Week Ending August 25, 2018	
Signature 3	93.41/42.37
Signature 4	124.37/56.41
Signature 5 Brandon	108.89/49.39
h@ms Cash	107.39/48.71
HyLife	n/a
TCP/BP2 Moose Jaw/Langley	121.27/55.01
2018 Top-Up Estimate	
\$5.15 ckg (call for details)	
ISO Weans	\$16.99 US Avg.
Feeder Pigs	\$17.21 US Avg.

**Forward contract prices opened mixed this morning.** US cash markets were pressured lower in yesterday's trade, continuing the lower trend that has cut US cash prices in half over the last six weeks. This week's slaughter is anticipated to be near 2.47 million hogs, starting the huge fall run-up that is coming this autumn. More than anything else, the large supply of pork is pressuring prices with the pork carcass cut-out losing about \$2.00 USD/cwt over the last week. Weakness in hams and bellies due to burdensome supplies have been a drag on the cut-out value while most of the other cuts were stable or slightly stronger recently. The front-month October lean hog futures contract lost nearly \$10 USD/cwt this week, reflecting the bearish cash market fundamentals. However, the December contract lost only about half this amount, as the market considers the possibility of better demand from China. The outbreak of African Swine Flu continues to develop with four reported cases, but even if the situation develops to a point where China is looking to import more pork, the current tariffs and trade uncertainty on US pork would likely shift buyer interest to European suppliers. Producers take note that forward current prices for the September – December timeframe are uncharacteristically higher than cash prices and should be viewed as an opportunity to mitigate weak cash prices.

**Canadian delivered soymeal prices opened lower this morning.** US soybean futures are trading higher after a couple sessions of steady declines and yesterday's lowest closing since mid-July (nearby contract). The lack of progress on the China/US trade file and some managed money repositioning have contributed to the pressure. Yesterday, the market saw some encouraging export numbers where net soybean sales for both crop years came in above trade expectations at 1.3 MMT. While encouraging now, new crop sales are subject to some risks, however (i.e. cancellations), and more pressure is likely to return when harvest gets underway as the crop tours report pod counts that make the USDA's 51.6 bpa yield estimate look quite attainable.

**US corn futures opened higher this morning.** US corn futures follow beans higher after approaching the lows last seen in July. While the crop 'looks good', the crop tours have suggested slightly lower yields that the historical averages in some states. This is likely not enough to turn the trade around as a longer-term trend but could be enough of a spark to lift US corn off the current lows for now. Pressure could soon return though as beneficial precipitation is forecast in the Corn Belt over the next seven days which will help the crop as temperatures return to above averages according to forecast models.

Fixed Forward Range (at opening)	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Maple Leaf Sig. #5		114.09 114.91	114.43 115.77	110.92 121.94	109.98 113.66	121.63 135.16	137.40 139.51	141.16 146.69	148.31 156.18	155.19 167.78	166.32 179.02
Soymeal Wpg/S. Man Delivered	461	459	461	463	463						

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