

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

US Slaughter	
2.455 mil.	Last Week
2.322 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$36.84
National	\$50.71
Iowa/S. MN.	\$37.00
ML Signature 5	\$102.84
HyLife (prev. day)	\$116.53
TCP/BP2	\$102.84
BoC Rate (Noon) prev. day	
\$1.3055 CAD / \$0.7660 USD	
Cash Prices Week Ending September 01, 2018	
Signature 3	87.58/39.73
Signature 4	117.32/53.22
Signature 5 Brandon	102.45/46.47
h@ms Cash	100.95/45.79
HyLife	115.70/52.48
TCP/BP2 Moose Jaw/Langley	108.89/49.39
2018 Top-Up Estimate	
\$5.43 ckg (call for details)	
ISO Weans	\$22.75 US Avg.
Feeder Pigs	\$22.21 US Avg.

Forward contract prices opened lower this morning. US cash markets are expected to start this holiday reduced production week with steady-to-lower prices compared to Friday's market. Many packers chose not to maximize their weekend slaughter over the Labor Day holiday weekend, resulting in a reduction of the total week's slaughter by about 60,000 hogs compared to last week and bringing the total down to 2.455 million hogs. The pork carcass cut-out finished last week at its highest level in more than two weeks with gains seen in all but one of the primal cuts over the last week. This is having a positive effect on Canadian cash prices as there is a growing number of hogs that are being priced on the pork cut-out, and this price is significantly higher than current negotiated or formula prices. Forward contract prices for the October – February timeframe currently represent the best pricing opportunity seen since early July in part due to a sharp decline in the Canadian Dollar. Producers without price protection should secure prices on half of their planned production at current forward prices as they represent a 20% premium over current cash values.

Canadian delivered soymeal prices opened higher this morning. Reports normally seen on Monday (Crop Progress, for example) are pushed back to today because of the long weekend disruption, so markets will have to wait for USDA numbers. Mexico's outgoing President Nieto has publicly expressed support for a trilateral trade deal that many view as mere lip-service due to the preliminary agreement already reached by Mexico and the USA on trade (that is not a new NAFTA). In the meantime, the market has shrugged off last Friday's arbitrary 'due date' set by President Trump and a new administrative date in late September is now cited. NAFTA discussions in the news cycle will likely take a back seat this week, however, as Supreme Court nomination hearings in the US will take centre stage politically.

US corn futures opened lower this morning. Like beans, US corn traders will have to wait an extra day for the USDA reports that are normally published on Mondays. Unlike beans, US corn futures are trading lower to start the week as there have been no new developments on either the supply or demand side to influence the market in one way or another. A preliminary agreement-in-principle on trade may have supported US corn heading into this week, but no announcement was made and the 'deadline' date announced by President Trump turned out to be much ado about nothing; a different date, now late September, is generally accepted to be an administratively important date to the US now.

Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		113.95 116.09	116.21 116.93	118.35 122.08	120.73 137.69	141.01 144.33	145.04 150.61	150.48 157.74	157.28 169.81	168.36 181.01	175.71 178.23	172.45 178.28
Soymeal Wpg/S.Man	454	451	454	454	456	456						

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