

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

US Slaughter	
459,000	Monday
456,000	Year Ago
Daily Prices	
W. Corn Belt	\$44.78
National	\$52.29
Iowa/S. MN.	\$44.89
ML Signature 5	\$115.11
HyLife (prev. day)	\$121.15
TCP/BP2	\$115.11
BoC Rate (Noon) prev. day \$1.3163 CAD / \$0.7597 USD	
Cash Prices Week Ending September 08, 2018	
Signature 3	91.46/41.49
Signature 4	118.93/53.95
Signature 5 Brandon	105.19/47.71
h@ms Cash	103.69/47.03
HyLife	118.07/53.56
TCP/BP2 Moose Jaw/Langley	102.45/46.47
2018 Top-Up Estimate	
\$5.66 ckg (call for details)	
ISO Weans	\$26.16 US Avg.
Feeder Pigs	\$21.87 US Avg.

Forward contract prices opened lower this morning. US cash markets are quickly recovering from the lows that were put in two weeks ago with several regions reporting gains over the last two trading days that have exceeded \$5.00 USD/cwt. The gains are not coming from packers matching moves in the pork carcass cut-out as wholesale pork prices are relatively stable in the mid-\$60s USD per cwt. Rather, packers are seeing an opportunity to buy some extra hogs at the lower, negotiated price because they perceive an opportunity to sell the pork at higher, profitable values in the near future. The hog markets (both cash and futures trades), are being upset by the developing African Swine Fever epidemic which is centered in China. It is difficult to overstate the possible impact to market prices over the next year, but any effect on Canadian cash prices will likely take months to develop. Producers should view current forward prices for what remains of 2018 as good value given the abundant supply but should delay hedging their 2019 production at this time as there appears to be more upside potential than downside price risk for the spring and summer of 2019.

Canadian delivered soymeal prices opened lower this morning. Grains and oilseeds markets are lower this morning ahead of the September WASDE report that will be released mid-trade at 11:00 AM, Central time. Pre-report positioning is generally thought to be behind the move in a report that is largely expected to confirm that decent crop production will be realized despite the lower acreage this year. Yield is expected to be raised to 52.2 bpa against a 50.9 to 53.8 bpa range and 51.6 bpa in the August report. Ending stocks are likewise expected to be raised and come in at 830 million bu on average against a 722 to 1,000 million bu range and 785 million bu. in the August report.

US corn futures opened lower this morning. US corn futures were lower at the open but are trading in a two-sided and choppy pattern as the trade progresses. Like beans, pre-WASDE report positioning is thought to be behind the erratic moves. As well, there is no clear consensus ahead of the release of the report. While bean averages are coming in higher than last month's numbers, corn estimates are showing a wider variance. Pre-report average yield is coming in at 177.8 bpa against a 175.5 to 180.0 range and a 178.4 bpa published in the August report. Ending stocks are pegged at 1.639 billion bu. on average against a 1.477 to 1.785 range and 1.684 billion bu in the August report.

Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		126.42 128.55	120.06 120.77	122.19 125.90	122.56 139.46	142.77 146.08	145.32 150.88	152.58 159.91	161.26 173.90	172.44 185.20	178.16 180.69	173.80 179.62
Soymeal Wpg/S.Man	460	457	460	460	461	458	458					

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