

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

Forward contract prices opened mostly lower this morning. US negotiated cash markets continued higher in yesterday's trade with gains of more than \$3.00/cwt reported for the Midwestern regions. While pork product prices were higher by about \$1.50/cwt yesterday due to a jump in pork belly prices, the large gain in live hog bids came at the expense of packer profitability. Expected landfall of Hurricane Florence in North Carolina on Friday will likely cause a major disruption to Smithfield's Tar Heel facility, which would likely impact US cash prices. If the plant were unable to operate on Friday and Saturday, approximately 50,000 hogs would be pushed into the following week which could displace animals into the Midwestern region. Lean Hog futures are trading narrowly mixed in early morning trade, with several major factors being considered. African Swine Fever, NAFTA negotiations, Chinese Tariffs, Hurricane Florence and record large hog supplies are all contributing to the highest price volatility experienced in years and represents both threats and opportunities for hog producers. Producers should view current forward prices for November and December as an opportunity to protect against demand related uncertainty in the context of record large supplies.

Canadian delivered soymeal prices opened lower this morning. Yesterday, it was reported here that the September WASDE would be released yesterday (on Tuesday, September 11). This was incorrect. The correct release day of the WASDE report is Wednesday September 12 (today). Apologies for any inconvenience. On that note, markets turned lower on what analysts are calling pre-report positioning with one headline going so far as to state today's market is pricing in big yield ahead of the release today. While the final numbers remain to be seen, the average yield is coming in at 52.2 bpa compared to 51.6 bpa in the August report. Anything approaching 53 bpa would likely influence the market lower. As well, a late-released Crop Progress report showed a 2% increase in the good/excellent category that was unexpected, adding pressure.

US corn futures opened lower this morning. The US corn market continues to trade under pressure as market participants position themselves ahead of the September WASDE report released later this morning. While the market is not trading at the lows seen at the end of August, the market has not made much of a recovery since and is still well-off the \$4.00 USD/bu. psychological benchmark. Trading is expected to be light ahead of the mid-trade WASDE release. In the meantime, average yield estimates ahead of the report are coming in slightly lower than the August numbers although it would likely take some news on the NAFTA (or US/Mexico) trade front to usher in any significant strength.

US Slaughter	
469,000	Tuesday
455,000	Year Ago
Daily Prices	
W. Corn Belt	\$47.91
National	\$53.04
Iowa/S. MN.	\$48.01
ML Signature 5	\$119.56
HyLife (prev. day)	\$122.87
TCP/BP2	\$119.56
BoC Rate (Noon) prev. day \$1.3141 CAD / \$0.7610 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 Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		122.53 124.64	115.93 116.63	118.03 121.71	120.57 137.30	140.57 143.84	143.96 149.46	151.55 158.83	159.76 172.31	170.86 183.52	177.91 180.43	174.28 180.10
Soymeal Wpg/S.Man	450	447	450	450	451	448	448					

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