

Hog Prices: $\uparrow\downarrow$ Soymeal: \uparrow
Corn: \uparrow CDN Dollar: \uparrow

Forward contract prices opened mixed this morning. US cash markets continued their higher trend in yesterday's trade, with negotiated prices in the Midwest another \$1.00/cwt. This week's hog slaughter is expected to be down by more than 120,000 hogs, as a number of packers will reduce or eliminate their operations today, Friday and Saturday in response to Hurricane Florence. The likely effect on the cash market over the next week is for lower prices due to delayed supplies pressuring negotiated prices as well increased supply coming from the added weight on animals that were delayed in being slaughtered. However, packers have a strong financial incentive to maintain higher production levels due to very good profit margins. Lean Hog futures continue to see higher levels of price volatility, with the 1-month trading range of more than \$12/cwt or a change of more than 25% of their price. With record supplies expected over the next 4 months and an uncertain export demand situation, producers should view current October-January forward prices as a good hedging opportunity. Beyond February 2019, the market has greater upside potential in part due to the African Swine Fever epidemic that could trigger greater imports of pork into China.

Canadian delivered soymeal prices opened higher this morning. US soybeans are trading higher this morning, but not because of any information provided in yesterday's WASDE report. Soybean yield came in near the upper end of pre-report expectations (and just under 53 bpa) at 52.8 bpa for the new crop. Using current disappearance assumptions, ending stocks would be pushed upward to 845 million bu. which is a lot of supply to clear. Deferred contracts immediately pushed lower on the news, but quickly regained strength. It has been said that the market takes two days to trade the WASDE report suggesting turnarounds are possible after the initial numbers settle in. However, today's strength is rumored to be a function of resuming trade talks between China and the USA. In any event, it will take some significant buying (or major supply crisis) to chip away at an 845 million bu. ending stock number.

US corn futures opened higher this morning. The December futures contract plunged to the lowest contract-closing low for the life of the contract yesterday following the surprise supply news that surfaced in yesterday's WASDE report. Yield came in at 181.3 bpa for the national average producing 14.827 billion bu and 1.774 billion in ending stocks against pre-report expectations of 177.8 bpa, 14.529 billion bu in production, and 1.639 billion in ending stocks. The US corn market is trading higher this morning as the news settles and on positive trade talk on both Chinese and Mexican fronts.

US Slaughter	
410,000	Wednesday
458,000	Year Ago
Daily Prices	
W. Corn Belt	\$48.68
National	\$53.22
Iowa/S. MN.	\$48.69
ML Signature 5	\$119.53
HyLife (prev. day)	\$123.08
TCP/BP2	\$119.53
BoC Rate (Noon) prev. day	
\$1.3014 CAD / \$.7668 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		123.57 125.68	119.58 124.15	119.23 122.91	121.26 137.95	141.21 144.48	144.08 149.57	151.09 158.32	158.55 171.03	169.58 182.17	175.83 178.33	172.80 178.56
Soymeal Wpg/S.Man	453	450	453	453	455	452	452					

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