

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

Forward contract prices opened higher this morning. US cash markets had a strong week of gains adding \$10 USD/cwt to negotiated prices across the US, representing a 20% improvement in hog prices in just one week. While the negotiated category is only one of the referenced price points in the US, it forms part of the base of the 'formula' prices that impacts current US cash prices and consequently Western Canada. The pork carcass cut-out has strengthened largely due to support seen in the pork belly primal over the last two weeks. Cash prices could soften next week as packers across the US will have a full slaughter schedule just to process the hogs that were delayed due to plant closures related to Hurricane Florence. October and December Lean Hog futures are holding a premium to the current cash index, but as market-ready hog supplies are expected to grow another 5% over the next two months, prices are likely to come under more pressure. African Swine Fever was found in two Wild Boars in Belgium which reflects how widespread and contagious the disease is across Asian and Europe. China continues to deal with the ongoing spread within its commercial herd, and should this continue, it would represent a factor that could significantly impact North American hog prices in 2019.

Canadian delivered soymeal prices opened lower this morning. US soybean futures continue to make an attempt to rebound but are still trading amid contract lows in a choppy pattern. Support comes from ideas that Secretary Mnuchin is reengaging with Chinese trade officials, but the US soybean trade has yet to build any real momentum from the news. Wednesday's WASDE report was considered neutral to bearish (depending on the analyst) and is keeping the upside in check with the exception of old crop ending stocks which came in below expectations. Early market commentaries are suggesting that the current oversold condition in the trade could set the stage for a Friday rally, but that has not yet materialized and the trade has turned lower as of this writing.

US corn futures opened mixed this morning. It could take some time for the US corn futures market to shake of the bearish tone that was only reinforced with Wednesday's 'surprise' WASDE report. The surprise was how high the yield estimation came in (181.3 bpa) and the news sent the market immediately lower. The trade is now looking for a 'good news' story for support which could materialize if a successful NAFTA renegotiation takes place. If it doesn't, it appears the US and Mexico have agreed on some language regarding trade, so a bilateral deal could be close as well. Either case would be positive for the US corn (and hogs) trade.

US Slaughter	
411,000	Thursday
460,000	Year Ago
Daily Prices	
W. Corn Belt	\$49.96
National	\$55.15
Iowa/S. MN.	\$49.96
ML Signature 5	\$123.12
HyLife (prev. day)	\$126.32
TCP/BP2	\$123.12
BoC Rate (Noon) prev. day	
\$1.2997 CAD / \$0.7706 USD	
Cash Prices Week Ending September 15, 2018	
Signature 3	112.30/50.94
Signature 4	123.35/55.95
Signature 5 Brandon	117.83/53.45
h@ms Cash	116.33/52.77
HyLife	N/A
TCP/BP2 Moose Jaw/Langley	105.19/47.71
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		125.69 127.80	124.00 128.58	123.64 127.33	125.98 142.71	145.99 149.26	146.81 152.30	153.49 160.72	159.62 172.10	170.65 183.25	177.07 179.56	173.92 179.68
Soymeal Wpg/S.Man	445	442	446	446	449	446	446					

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