

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

US Slaughter	
437,000	Thursday
458,000	Year Ago
Daily Prices	
W. Corn Belt	\$59.16
National	\$61.03
Iowa/S. MN.	\$59.21
ML Signature 5	\$139.86
HyLife (prev. day)	\$139.06
TCP/BP2	\$139.86
<b>BoC Rate (Noon) prev. day</b> \$1.2905 CAD / \$0.7750 USD	
Cash Prices Week Ending September 22, 2018	
Signature 3	128.84/58.44
Signature 4	135.03/61.25
Signature 5 Brandon	131.93/59.84
h@ms Cash	130.43/59.84
HyLife	N/A
TCP/BP2 Moose Jaw/Langley	117.83/53.45
2018 Top-Up Estimate	
\$5.59 ckg (call for details)	
ISO Weans	\$28.11 US Avg.
Feeder Pigs	\$31.32 US Avg.

**Forward contract prices opened lower this morning.** US negotiated cash markets are finishing the week strong with the rally over the last two weeks representing the largest percentage gain over any two weeks since 2014. While the negotiated price of hogs represents a tiny fraction of animals sold on a daily basis, the negotiated price from the different reporting regions has a direct influence on the formula prices that are referenced in Western Canada. This week's slaughter is expected to come in under 2.4 million hogs and when combined with last week's hurricane related reductions, it likely results in nearly 300,000 hogs being delayed from their normal slaughter schedule. Hog weights will increase as a result, and this consequence will burden the market with even more pork at a time of heavy supply. Lean hog futures are trading near-steady in early trade this morning with no further gains on the December contract since Tuesday. Producers should cover the price risk on a large portion of their remaining 2018 production to mitigate the effect of record large supplies but can aggressively set targets for the spring and summer timeframe \$15-\$20 higher than current forward prices.

**Canadian delivered soymeal prices opened higher this morning.** US soybeans have backed off yesterday's rally and are lower at the open. Heavy rain, technical indicators and short covering were, in part, cited for the support. However, decent export sales and talk that US beans being sold into Argentina for resale into China were also making the rounds. As well, there is talk that Chinese officials are cutting import taxes to allow for beans to still enter the country until the trade war ends or the government puts into effects its plans to reduce soymeal consumption among livestock producers, substitute soymeal with another protein source, increase domestic acreage, or any combination of the above to reduce reliance on the USA as a supplier. Follow-through buying has not materialized this morning and the market will be watching closely for further clues on direction next week especially as harvest ramps up.

**US corn futures opened higher this morning.** Unlike beans, US corn futures continue to push higher and climb out of the contract lows seen only a couple sessions ago. Like beans, US corn futures got a boost on export data yesterday as sales came in at 1.38 MMT compared to the pre-report expectation of between 500,000 and 1.2 MMT. Also like beans, harvest-delaying rain in some areas, technical charts and short covering activity were cited for the support. There are also rumors trickling out that, while not yet completed, some progress is being made on the NAFTA file. Depending on who one reads, a new NAFTA could be announced sometime next week or well after that. In any event, a successful, trilateral NAFTA renegotiation would likely be the swiftest path to taking the uncertainty out of North American trade and supporting US corn in the process.

Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		136.47 137.33	124.07 131.24	123.68 127.33	122.21 138.80	142.05 145.30	143.97 149.43	150.86 158.05	156.77 168.70	167.15 179.78	174.13 176.61	170.20 175.91
Soymeal Wpg/S.Man	445	435	439	439	445	446	446					

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