

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

US Slaughter	
472,000	Monday
459,000	Year Ago
Daily Prices	
W. Corn Belt	\$61.52
National	\$63.56
Iowa/S. MN.	\$61.59
ML Signature 5	\$145.89
HyLife (prev. day)	\$144.48
TCP/BP2	\$145.89
BoC Rate (Noon) prev. day	
\$1.2935 CAD / \$0.7731 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	130.43/59.16
HyLife	136.66/61.99
TCP/BP2 Moose Jaw/Langley	117.83/53.45
2018 Top-Up Estimate	
\$5.59 ckg (call for details)	
ISO Weans	\$33.37 US Avg.
Feeder Pigs	\$35.25 US Avg.

Forward contract prices opened mostly higher this morning. US cash markets continued their higher trend (gaining more than \$1.00 USD/cwt in yesterday's trade) with the pork carcass cut-out also making gains. After the disruptions caused by Hurricane Florence, the US slaughter is only now back to full capacity supported by yesterday's slaughter that was pegged at 472,000 hogs. The tighter pork production caused by the storm-related closures has likely made a modest, positive contribution to the cut-out value over the last two weeks. At the start of the month, pork in storage was up 1% over levels seen last year despite massive price discounts which should have incentivized more pork purchases. However, competition from chicken has been significant with poultry inventory up 28% over last year pressuring prices. Lean hog futures will see influence from Thursday's Hogs and Pigs report, which is expected to show record large market hog numbers. Producers should view current November – January prices as good value in the context of the abundant meat supplies and constrained export markets.

Canadian delivered soymeal prices opened higher this morning. US soybeans are staging a rally this morning, likely on ideas that beans, despite a degradation in trading relationship with the US's largest customer, are still being sold into export markets. Some notable quantities are being sold to 'unknown' destinations and while China purchases have backed off considerably, there is talk that some US beans are still making it to China directly, or potentially, by an intermediary (Argentina, for example). Pressuring news includes an increase in the good/excellent category (up to 68% compared to 67% expected) and ideas that harvest pace is slightly higher than the 13% estimated, coming in at 14% complete.

US corn futures opened higher this morning. US corn is continuing the momentum started last week and is trading higher for the fifth consecutive session. The strength could be considered a rally while the market is attempting to crawl out of the contract-closing lows established last week. There is some early chatter that if the trade breaks out of some of the established resistance levels, technically, another leg up is possible. In the meantime, crop conditions came in line with expectations (68% good/excellent compared to the 68% expected (and last week)) while the US corn harvested is pegged at 16% complete against the same expectation and 9% last week.

Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		139.90	122.59 129.78	122.20 125.86	124.30 140.94	144.20 147.45	145.62 151.08	152.52 159.73	159.07 171.04	169.48 182.14	176.53 179.01	172.54 178.27
Soymeal Wpg/S.Man	448	438	441	441	447	446	446					

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