

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

US Slaughter	
470,000	Wednesday
456,000	Year Ago
Daily Prices	
W. Corn Belt	\$63.20
National	\$66.08
Iowa/S. MN.	\$63.23
ML Signature 5	\$151.25
HyLife (prev. day)	\$150.59
TCP/BP2	\$151.25
BoC Rate (Noon) prev. day	
\$1.2975 CAD / \$0.7707 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 lower this morning. Negotiated hog prices in the US Midwest were near steady in yesterday's trade after two weeks of consistent gains that exceeded \$1.00 USD/cwt per day. With the pork carcass cut-out valued at better than \$80 USD/cwt, packers still have strong profit incentives to seek out uncommitted supplies to maximize their production schedule. The USDA will release its latest Hogs and Pigs survey results this afternoon which are expected to show market hog numbers 3.5% higher than year ago levels. Recent reports have accurately estimated the US slaughter over the last several months, so today's results will be credible and closely resemble the hog slaughter for the next four months. As a result, record pork production is anticipated from October – December, even as hog carcass weights have been lower than year ago levels. The report is unlikely to significantly impact the spring/summer futures prices unless the 'Kept for Breeding' number exceeds 3.5% growth over year-ago levels. Producers should view current forward prices in the November – January timeframe as reasonable value, given the record pork production that is anticipated.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are seeing some strength ahead of the Quarterly Grain Stocks report that will be released tomorrow. Pre-report estimates suggest the USDA will report an estimated 401 million bu. in stocks as at September 1 which is 33% larger than year ago. Despite this, soybeans are still being exported. Today's weekly export report showed net sales of 870,000 MT against an expectation of between 600,000 MT and 1 MMT. There has been some skepticism that China will accept beans that originated from the USA through an intermediary, but for now, there are ideas that Argentina and Brazil are selling beans from their own supply and 'replacing' them with USA ones as Chinese buyers shun the USA.

US corn futures opened higher this morning. The US corn futures trade is seeing some strength ahead of the grain stocks report that will be released tomorrow but it also getting some support from export numbers this morning. The market was looking for between 900,000 MT and 1.3 MMT in sales and this morning's report didn't disappoint, coming in at 1.7 MMT sold for the 2018/19 marketing year. Mexico was a big buyer at 623,000 MT (!) suggesting the trade is very healthy into the region. Sales do not represent deliveries, and they can be cancelled. However, Mexico remains to be a very important US corn customer. The market is looking for stocks to come in around 2 billion bu tomorrow which would represent 12% lower stocks than year-ago.

Forward Range (at opening)	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		138.55	118.80 130.39	118.40 122.09	119.99 136.80	140.09 143.38	141.81 147.33	148.00 155.24	155.35 167.38	165.81 178.53	172.94 175.44	169.52 175.27
Soymeal Wpg/S.Man	444	434	439	439	444	443	443					

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