

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

Forward contract prices opened mixed this morning. US cash markets are expected to trade steady to slightly lower this week with packers having no difficulty in sourcing the live supplies needed to meet a full production schedule. The industry is still working through the backlog of hogs that were delayed during Hurricane Florence which should keep weekly slaughter levels close to 2.6 million hogs over the next few weeks. The pork carcass cut-out has held its value over the last week and provides good profit incentives for packers to maintain high production levels. Cash and lean Hog futures prices are experiencing some price support this morning as they respond to news of a new trade agreement between the USA, Mexico, and Canada reached last night. The preliminary United States Mexico Canada Agreement (USMCA) was reached just before the US imposed deadline of September 30 and could lead to the elimination of the tariffs that Mexico applied to US pork in retaliation to US-imposed steel and aluminum tariffs. The agreement also led to a surge in the Canadian Dollar of more than half a cent this morning, taking our currency to its highest level since late-May.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are starting the week off on a higher note on some repositioning including short covering and speculative activities. There is also some optimism on the status of trade, broadly, following the late-night announcement yesterday that a new NAFTA (now renamed US, Mexico, Canada Agreement – USMCA) has been negotiated. Of course, this doesn't really do much fundamentally for soybeans as neither Mexico or Canada are large US bean importers. However, it potentially does bode well for other markets and beans are reflecting the trend upward this morning.

US corn futures opened higher this morning. Like beans, US corn futures are also higher this morning, but unlike beans, US corn has a bit more to benefit from a now concluded USMCA trade deal (i.e. new NAFTA). Details on the wording are being shared online (and in social media feeds), and industry analysis will likely soon follow with various industry groups lauding or criticizing the arrangement; indeed, there are already many public statements being made. In any case, the more dramatic aspects of the negotiations now shift to a less 'public' setting as the agreement moves through the US congress. Recall however, that all countries must ratify the agreement, although that appears to be on relatively sure footing.

US Slaughter	
2.568 mil.	Last Year
2.528 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$63.12
National	\$68.04
Iowa/S. MN.	\$63.17
ML Signature 5	\$153.05
HyLife (prev. day)	\$156.21
TCP/BP2	\$153.05
BoC Rate (Noon) prev. day	
\$1.2945 CAD / \$0.7724 USD	
Cash Prices Week Ending September 29, 2018	
Signature 3	147.92/67.10
Signature 4	149.19/67.67
Signature 5 Brandon	148.55/67.38
h@ms Cash	147.05/66.70
HyLife	150.51/68.27
TCP/BP2 Moose Jaw/Langley	131.93/59.84
2018 Top-Up Estimate	
\$5.46 ckg (call for details)	
ISO Weans	\$35.92 US Avg.
Feeder Pigs	\$37.01 US Avg.

Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		125.61 166.99	125.22 128.84	125.63 142.10	145.33 148.55	145.90 151.31	152.72 159.85	158.58 170.42	168.88 181.41	177.58 180.05	173.52 179.24
Soymeal Wpg/S.Man	439	443	443	448	446	447					

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