

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

US Slaughter	
456,000	Monday
440,000	Year Ago
Daily Prices	
W. Corn Belt	\$63.01
National	\$68.27
Iowa/S. MN.	\$63.02
ML Signature 5	\$151.51
HyLife (prev. day)	\$155.54
TCP/BP2	\$151.51
BoC Rate (Noon) prev. day	
\$1.2803 CAD / \$0.7811 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 contract prices opened higher this morning. US negotiated cash markets have been trading near steady for a week with yesterday's trade following the same trend. The pork carcass cut-out has rallied more than 25% of its value over the month of September, an uncommonly seen price trend at a time when it is typically making large gains. The gains in wholesale pork prices were spread across all the primal cuts, but pork bellies have appreciated the most, gaining 64% in just one month. Lean hog futures made impressive gains yesterday with several contracts breaking into new highs. The confirmation of hog inventory staying manageable at 3.5% over last year on last week's Quarterly Hogs and Pigs report and news of a preliminary USMCA trade agreement reduced downside uncertainty over just two trading days. Producers that have not taken protection on their November - January production should view current prices that are trading at the 3-year average as good value, especially given the current large supplies of all competing meats and the tariffs that are limiting exports of pork to China.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading higher in the early morning activity and continuing the trend over the past two sessions. While news that an agreed framework for the new USMCA supported most markets, beans market will likely have to wait for more positive news on the China/USA trade file for more support despite higher than usual sales to Argentina. Crop conditions released yesterday remained unchanged showing 68% of the crop in good/excellent condition. Harvest pace increased to 23% completed compared to 14% last week and an average pace of 20%. There is talk that increase rain in harvesting areas forecasted for this week could slow the pace.

US corn futures opened higher this morning. US corn futures are resuming the recent trend higher after a bit of bearish news that was delivered in last week's Quarterly Grain Stocks report. Some of the uncertainty on the US/Mexico trading relationship in general has been removed with the announcement that language for the new USMCA has been agreed by all three parties. The corn crop rating was unchanged from the previous week at 69% in good/excellent condition. Harvest pace came in 10% higher than last week and 9% higher than the average at 26% completed. There are ideas that heavy rain next week could keep farmers off fields and hamper harvest activity in some areas.

Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		126.68 138.08	126.29 129.92	127.50 144.00	147.23 150.46	147.07 152.49	153.99 161.14	160.56 172.43	170.88 183.44	177.83 180.29	173.92 179.60
Soymeal Wpg/S.Man	434	440	440	445	444	444					

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