

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

Forward contract prices opened mixed this morning. US cash markets started this week with mixed bids in negotiated and formula-based categories but have generally been maintaining the firm trend established a month ago. Packers have profitable operating margins which help have helped maintain the firm cash trend especially as hog supply has been tighter than expected. Last week's slaughter was estimated by the USDA at 2.503 million hogs, while the same week last year was about 1% larger. This represents a significant discrepancy from the Quarterly Hogs and Pigs Report which suggested that the number of market hogs to be delivered in this timeframe was 3.5% larger than year ago levels. Lean hog futures were higher in yesterday's trade during the Canadian Thanksgiving holiday, but opened lower this morning, maintaining the volatile trend. China confirmed new cases of African Swine Fever (ASF) yesterday and new restrictions on imports of pork from countries dealing with their own outbreaks of ASF. Developments in the spread of the disease represent the rationale for higher hog prices over the next year, which is the primary reason why producers should focus any additional protection on their early winter production and delay action on the spring/summer timeframe.

Canadian delivered soymeal prices opened higher this morning. The weekly Crop Progress report has been delayed until today (typically released on Mondays) due to the Columbus Day holiday in the USA yesterday. The weather is expected to be cool and wet in many harvest areas for the remainder of the week. The October WASDE report will be released Thursday, October 11 and there is talk that market participants started some early pre-report positioning yesterday. Average pre-report estimates ahead of the publication are coming in at a 53.3 bpa yield and 898 million bushels in ending stocks against 52.0-55.0 bpa and 788-985 million bu. in ending stocks as a range of estimates ahead of Thursday's release.

US corn futures opened mixed this morning. Like beans, the trade is primarily focused on Thursdays pending WASDE report numbers for ideas on direction. The Midwest remains largely wet and harvest has stopped in certain areas, but the market will have to wait an extra day for the Crop Progress report that was delayed due to Columbus Day. The average trade estimates ahead of Thursday's WASDE report show 181.8 bpa yield and 1.919 billion bushels in ending stocks within the 180.6-183.5 bpa and 1.766-2.352 billion bu. in ending stocks ranges.

US Slaughter	
2.503 mil.	Last Week
2.519 mil.	Year Ago
Daily Prices	
W. Corn Belt	\$63.16
National	\$70.21
Iowa/S. MN.	\$63.19
ML Signature 5	\$155.49
HyLife (prev. day)	\$159.40
TCP/BP2	\$155.49
BoC Rate (Noon) prev. day	
\$1.2936 CAD / \$0.7730 USD	
Cash Prices Week Ending October 6, 2018	
Signature 3	149.08/67.62
Signature 4	157.62/71.50
Signature 5 Brandon	153.35/69.56
h@ms Cash	151.85/68.88
HyLife	156.74/71.10
TCP/BP2 Moose Jaw/Langley	148.55/67.38
2018 Top-Up Estimate	
\$5.43 ckg (call for details)	
ISO Weans	\$35.23 US Avg.
Feeder Pigs	\$40.34 US Avg.

Forward Range (at opening)	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		120.29 129.64	119.89 123.56	124.60 141.31	144.58 147.85	146.71 152.20	153.64 160.87	161.34 173.36	171.79 184.51	179.49 181.99	175.30 181.05
Soymeal Wpg/S.Man	436	441	441	446	444	444					

This bulletin is intended as a marketing tool for subscribed members only. Prices are **not** quotes and **all pricing is subject to verification**. Opinions expressed do not guarantee future events or performance. Unauthorized distribution is strictly prohibited.