

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

| US Slaughter                              |              |
|---|--------------|
| 2.589 mil.                                | Last Year    |
| 2.492 mil.                                | Year Ago     |
| Daily Prices                              |              |
| W. Corn Belt                              | \$51.97      |
| National                                  | \$62.80      |
| Iowa/S. MN.                               | \$52.00      |
| ML Signature 5                            | \$136.50     |
| HyLife (prev. day)                        | \$144.94     |
| TCP/BP2                                   | \$136.50     |
| <b>BoC Rate (Noon) prev. day</b>          |              |
| \$1.3206 CAD / \$0.7672 USD               |              |
| Cash Prices Week Ending November 10, 2018 |              |
| Signature 3                               | 133.42/60.52 |
| Signature 4                               | 151.70/68.81 |
| Signature 5<br>Brandon                    | 142.56/64.66 |
| h@ms Cash                                 | 141.06/63.98 |
| HyLife                                    | 150.23/68.14 |
| TCP/BP2<br>Moose Jaw/Langley              | 146.63/66.51 |
| 2018 Top-Up Estimate                      |              |
| \$5.72 ckg (call for details)             |              |
| ISO Weans \$43.45 US Avg.                 |              |
| Feeder Pigs \$43.41 US Avg.               |              |

**Forward contract prices opened higher this morning.** US cash markets moved consistently lower in last week's trade with abundant live supplies and a weaker trend in pork values providing the rationale for the decline. Last week's US hog slaughter was estimated by the USDA at 2.589 million hogs which is approximately 4% larger than year ago levels and in line with the most recent Hogs and Pigs report estimates. Hog numbers have generally lagged expectations over the last several months, but weekly slaughter is still expected to average close to 2.6 million per week to the end of the year, excluding the US Thanksgiving and Christmas weeks. Developments in the spread of African Swine Fever (ASF) over the weekend added support to most of the 2019 Lean Hog futures in yesterday's early morning trade. The discovery of the ASF virus in feed at a farm that had broken with the disease in Anhui province last week is a worrying development. It suggests a new vector for the spread of the disease that could have significant consequences if the infected feed ingredient was widely distributed. Producers should consider setting price targets on 20% of planned production at \$10 CAD/pkg higher than current spring/summer forward prices.

**Canadian delivered soymeal prices opened lower this morning.** USDA reports this week will be delayed by a day due to closures on November 12 in lieu of Veteran's Day in the USA (Remembrance Day in Canada). Crop Progress will be reported later this afternoon and the Export Sales report will come out on Friday instead of Thursday. In the meantime, soybean harvest is expected to come in near 90% complete and average yield is pegged at 52.1 bpa. If this holds true, US soybeans could be looking at record volumes of ending stocks now approaching the 1-billion-bushel mark. There is talk other markets are picking up the slack due to dismal interest from China, but while some markets are showing y/y increases, it so far appears this business will not make up for Chinese losses. The market will have a better idea when volume data for October is released at the beginning of December.

**US corn futures opened lower this morning.** US corn futures have seen some support over the past two sessions following a relatively wide ranging post-WASDE trading day. The December contract has lifted off the lows last seen in mid-September and is now trading in the middle of the recent range established in the middle of October. A decreasing ending stocks number in last week's WASDE lends credence to the idea that there will likely be a global drawdown of corn stocks this year. Even though China showed increased domestic stocks that the USDA incorporated into the balance sheet, the market generally views the development as a 'on paper' issue only and one that won't really impact the global trade in a fundamental way all that much for a variety of reasons.

| Forward Range (at opening) | Nov | Dec              | Jan              | Feb              | Mar              | Apr              | May              | Jun              | Jul              | Aug              |
|----------------------------|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Maple Leaf Sig. #5         |     | 124.01<br>127.65 | 126.81<br>136.59 | 139.93<br>143.27 | 142.94<br>148.55 | 149.73<br>157.10 | 162.64<br>178.76 | 177.86<br>190.82 | 188.38<br>190.92 | 184.86<br>190.73 |
| Soymeal Wpg/S.Man          | 437 | 437              | 444              | 448              | 448              | 455              |                  |                  |                  |                  |

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