

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

**Forward contract prices opened mixed this morning.** US negotiated cash markets continued their lower trend with all the major cash market benchmarks remaining under pressure from heavy supplies. In wholesale pork markets, hams and bellies were weaker and lost most of the gains they made on Monday. However, loins and picnics had an offsetting effect which limited the weakness in the overall carcass cut-out value. Lean hog futures continue to see conflicting market fundamentals with the nearby contracts experiencing a highly volatile market that reflects abundant supplies and uncertain demand from export markets. The largest export destination for US pork continues to be Mexico, but with the lingering 20% tariff on US pork (in retaliation for US steel and aluminum tariffs), demand has struggled to match year-ago levels. The volume of US pork shipped to Mexico was down for the 4<sup>th</sup> consecutive month while the value of all pork exports this year has now dropped about 8% compared to levels seen at this point in 2017. Interestingly, Canadian pork exports to Mexico are up 25% compared to year ago levels, in large part, due to the penalties placed on pork from the US.

**Canadian delivered soymeal prices opened higher this morning.** A slower than expected harvest pace reported in yesterday's holiday-delayed Crop Progress report showed beans at 88% for the national average pace. The market was looking for 91% complete so the news was considered supportive. For now, the market is trading slightly higher than yesterday and some analysts have cited yesterday's report as rationale for the move. However, record yields are expected, and a less than ideal global marketing environment is keeping any real upside development in check.

**US corn futures opened mixed this morning.** Although yesterday's Crop Progress report showed the average harvest pace to be 3% lower than expectations (coming in at 84% compared to the 87% pre-report number), US corn futures continue to trade under pressure. Also, of note, is the fact that ending stocks for US corn came in lower in last week's WASDE. The 'normal' reaction of the two events, combined, would be for the market to move higher, yet it is not. Why? One theory is that lower energy prices (i.e. oil, which is trading at lows not seen since February) are pressuring the corn market. Recall that US corn futures and crude oil prices are often linked and, also, that approximately one third of the US corn crop is used for processing ethanol.

US Slaughter	
478,000	Tuesday
468,000	Year Ago
Daily Prices	
W. Corn Belt	\$50.15
National	\$62.86
Iowa/S. MN.	\$50.13
ML Signature 5	\$134.73
HyLife (prev. day)	\$146.10
TCP/BP2	\$134.73
<b>BoC Rate (Noon) prev. day</b>	
\$1.3241 CAD / \$0.7552 USD	
Cash Prices Week Ending November 10, 2018	
Signature 3	133.42/60.52
Signature 4	151.70/68.81
Signature 5 Brandon	142.56/64.66
h@ms Cash	141.06/63.98
HyLife	150.23/68.14
TCP/BP2 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 Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		126.95 130.58	126.52 136.30	139.64 142.98	142.98 148.59	149.75 157.12	161.99 178.10	177.19 190.14	187.75 190.29	184.61 190.48
Soymeal Wpg/S.Man	439	439	446	450	450	458				

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