

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

US Slaughter	
476,000	Monday
467,000	Year Ago
Daily Prices	
W. Corn Belt	\$48.93
National	\$58.89
Iowa/S. MN.	\$48.94
ML Signature 5	\$128.09
HyLife (prev. day)	\$137.85
TCP/BP2	\$128.09
BoC Rate (Noon) prev. day	
\$1.3191 CAD / \$0.7581 USD	
Cash Prices Week Ending December 1st, 2018	
Signature 3	119.88/54.38
Signature 4	140.39/63.68
Signature 5	130.14/59.03
Brandon	
h@ms Cash	128.64/58.35
HyLife	138.85/62.98
TCP/BP2	133.16/60.40
Moose Jaw/Langley	
2018 Top-Up Estimate	
\$5.99 ckg (call for details)	
ISO Weans \$54.07 US Avg.	
Feeder Pigs \$65.18 US Avg.	

Forward contract prices opened lower this morning. US cash hog markets traded lower to start the first week of December as packers are having no difficulty maximizing their production schedules during the week. Wholesale pork prices have provided a positive influence on formula-based hog pricing with the pork carcass cut-out valued at its highest level in over two weeks. Last week's report on export sales of pork showed that China re-entered the market for US pork, placing an order for delivery later this month that is the largest since February. This news comes at the same time as President Xi committed to immediately increasing purchases of industrial, energy, and agricultural products from the US at a meeting with President Trump over the weekend at the G20. While positive for the market, lean hog futures traded most of yesterday with lower prices as the market received no information about a resolution to the steel and aluminum tariff dispute which has saddled US pork merchandisers with a 20% tariff on most pork products sold to Mexico. Near-term forward contract prices have suffered as a result (of no commitment to a timeline to the end the tariffs) while forward prices beyond June are finding support from the long-term prospect of increased sales to China due, in part, to the African Swine Fever losses in Chinese production.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are continuing the rally seen on Monday, albeit to a lesser degree than yesterday. Massive speculation on the potential for China to (re)enter the US market is solely behind the support despite no firm commitments coming from the China delegation while US officials assure American farmers Chinese buyers will immediately start purchases once again. It all very much remains to be seen. Regardless, bean bulls are benefiting from the speculation. An important 'sticking point' is that so far China has not agreed to remove the tariffs on US beans which will be necessary for Chinese buyers to resume significant purchases.

US corn futures opened higher this morning. Like beans, US corn futures continue the upward trend on speculative optimism. More importantly for US corn was the signing of the new NAFTA (USMCA in the USA; CUSMA in Canada). Mexico is still the number one purchaser of US corn exports and while US corn was not specifically earmarked for retaliatory tariffs (due to the steel and aluminum tariff issues the US imposed on NAFTA partners earlier), the signing of the new trilateral trade agreement suggests the political optics are over and paves the way for a warmer trade relationship between Mexico and the US. At least, the idea is that hostilities will not intensify meaning an uninterrupted trade of corn can be maintained.

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		134.77 145.11	148.44 151.77	150.13 155.84	157.08 164.43	163.48 177.56	178.50 191.44	185.93 188.58	174.67 189.22	157.17 164.23	150.32 153.94
Soymeal Wpg/S.Man	458	458	461	461	466	466					

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