

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

US Slaughter	
478,000	Tuesday
465,000	Year Ago
Daily Prices	
W. Corn Belt	\$48.43
National	\$59.56
Iowa/S. MN.	\$48.45
ML Signature 5	\$128.55
HyLife (prev. day)	\$138.28
TCP/BP2	\$128.55
<b>BoC Rate (Noon) prev. day</b> \$1.3219 CAD / \$0.7565 USD	
Cash Prices Week Ending December 1st, 2018	
Signature 3	119.88/54.38
Signature 4	140.39/63.68
Signature 5 Brandon	130.14/59.03
h@ms Cash	128.64/58.35
HyLife	138.85/62.98
TCP/BP2 Moose Jaw/Langley	133.16/60.40
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 higher this morning.** US cash markets moved lower in yesterday's trade with the regional, negotiated prices losing approximately \$0.50 USD/cwt in yesterday's trade. Formula-based prices continue to see a slow erosion in value with a decline of approximately 10% over the last month. This is consistent with the normal price trend at this time of year, when pork production is at its seasonal high. This week's US hog slaughter is expected to be over 2.6 million hogs which would be near the previous record that was set last month. Lean hog futures have been experiencing a widening spread between the nearby contracts and the summer months over the last month. The market continues to support the deferred time frame as it factors in the possibility of increased pork exports to China due to the possibility of large production losses from African Swine Fever. However, the current glut of meat and poultry production and constraints to pork exports to Mexico are factors holding back nearby futures prices. Producers should consider pricing up to 25% of their Jan – Jun production at the current profitable average price of \$162 CAD/ckg, which is slightly higher than the 3-year average of this time period.

**Canadian delivered soymeal prices opened higher this morning.** US soybean futures are backing off from the earlier strength seen at the beginning of the week but are in an upward pattern nonetheless. The optimism stems from ongoing rumors spilling out over the status of US/China trade relations. However, the messages have been anything but consistent. The US president has tweeted that China will immediately start buying agricultural products and the agriculture secretary has repeated these claims, yet Chinese officials have expressed that nothing has been concretely established despite a positive dinner meeting at the G20. Once beans start moving into the region once again from the US, the market will be watching to see how much of a premium has been placed on that optimism.

**US corn futures opened lower this morning.** US corn futures have backed off the recent highs as the corn market is less bullish than beans. While the bean market doesn't appear to be taking on too much risk (in the absence of concrete details), the US corn market has already made that turn and is trading lower as of this writing. The signing of the new NAFTA was a positive development over the weekend, but the remaining (and technically unrelated) steel and aluminum tariff issue remains and no one appears to be too bullish amid the uncertainty even though it is widely accepted that the world will see a global draw-down in stocks over the next marketing year.

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		136.68 147.16	150.54 153.91	152.78 158.56	159.84 167.29	167.22 181.48	182.45 195.56	189.60 192.29	177.04 192.94	159.31 166.47	150.78 154.41
Soymeal Wpg/S.Man	462	466	470	470	470	476					

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