

Hog Prices: ↓↑Soymeal: ←→

Corn: ↓↑ CDN Dollar: ↓

**Forward contract prices opened mixed this morning.** US cash markets started the week with lower bids seen for both the negotiated and formula-based prices. The Midwestern regions reported a decline of \$0.70-\$0.85 USD/cwt, roughly equivalent to the gains that were seen on Friday. The pork carcass cut-out value dropped approximately \$1.00/cwt to start this week with pressure coming from ham and loin values. On the other hand, pork bellies continue their rebound with values near \$127 USD/cwt, returning this volatile product back to the highest price we have seen since October. Summer month futures are trading in the middle of their one-month trading range, but only about \$1.50/cwt off the contract highs. The market continues to support the deferred month prices with ideas that increased pork exports to China will develop in order to fill the lost production from African Swine Fever. However, there are still a large number of 'unknowns' in this developing situation. The official losses being reported are relatively small at approximately 1/10<sup>th</sup> of 1% of Chinese pork production, and if losses mount, we also don't know how Chinese consumers will respond. As well, if Chinese buyers become more active in the global pork trade, how much of this business finds its way to the US (where tariffs of 62% are levied on US product) is very much uncertain.

**Canadian delivered soymeal prices opened even this morning.**

The US soybean futures market is trading higher in the early morning session as traders take positions ahead of the December WASDE report that will be released mid-trade at 11:00 AM, Central time. Ending stocks for 2018/19 soybeans are expected to come in at 945 million bu which is slightly lower than the 955 million bu in the November report and against the 875-975 million bu pre-report range. In sum, no major movements are expected, but note that the estimate is still nearing 1 billion bu which is significantly high for beans. Regardless, pre-report positioning and tweets (!) from the US President this morning (alluding that China will soon make an 'ag' purchase announcement) are keeping the market supported as of this writing.

**US corn futures opened mixed this morning.** Like beans, US corn futures traders are taking positions ahead of the release of the WASDE report this morning, but the market is trading in a more sideways pattern. Neither firm strength nor weakness is seen as of this writing in the nearby trade; the deferreds are mixed. Ending stocks for US corn are expected to come in slightly higher than the November numbers for the 2018/19 marketing year at 1.738 billion bu compared to 1.736 billion bu seen last month. The range is a relatively tight 90 million bu (tight for corn) suggesting the market generally 'agrees' with the information currently available.

US Slaughter	
479,000	Monday
462,000	Year Ago
Daily Prices	
W. Corn Belt	\$46.34
National	\$58.82
Iowa/S. MN.	\$46.25
ML Signature 5	\$126.66
HyLife (prev. day)	\$137.67
TCP/BP2	\$126.66
<b>BoC Rate (Noon) prev. day</b>	
\$1.3379 CAD / \$0.7474 USD	
Cash Prices Week Ending December 8th, 2018	
Signature 3	117.08/53.11
Signature 4	139.43/63.25
Signature 5 Brandon	128.26/58.18
h@ms Cash	136.68/62.00
HyLife	138.18/62.68
TCP/BP2	130.14/59.03
Moose Jaw/Langley	
2018 Top-Up Estimate	
\$6.10 ckg (call for details)	
ISO Weans \$56.76 US Avg.	
Feeder Pigs \$60.89 US Avg.	

Forward Range (at opening)	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
Maple Leaf Sig. #5		140.54 146.69	150.06 153.44	153.99 159.78	161.07 168.54	166.56 180.84	181.80 194.92	189.52 192.21	178.48 194.13	160.77 167.92	154.21 157.89
Soymeal Wpg/S.Man	462	462	466	466	473	473					

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