

US Slaughter	
2.669 mil.	Last Week
2.591 mil.	Year Ago
Daily Prices	
Iowa/S. MN.	\$47.10
W. Corn Belt	\$47.22
National	\$64.54
ML Signature 5	\$132.30
HyLife (prev. day)	\$149.49
TCP/BP2	\$132.30
BP4/TCP4	\$150.73
BoC Rate (Noon) prev. day	
\$1.3157 CAD / \$0.7601 USD	
Cash Prices Week Ending November 1, 2019	
Signature 3	121.31/55.03
Signature 4	153.23/69.50
Signature 5	137.27/62.27
h@ms Cash	151.23/68.60
HyLife	150.88/68.44
TCP/BP2	145.79/66.13
BP4/TCP4	158.26/71.79
Cumulative Top-Up Estimate	
\$5.14 CAD/ckg	
ISO Weans \$29.87 US Avg.	
Feeder Pigs \$44.41 US Avg.	

Forward contract prices opened mostly higher this morning. US cash markets are lower to start the week with ISM, WCB and National reporting regions coming in \$1.17, \$0.98, and \$0.67 USD/cwt lower, respectively. Negotiated price regions are more volatile and sensitive to changes in market dynamics, typically, leading either higher or lower when a trend develops depending on the conditions at the time. Today, we see pressure mounting as thoughts of massive supplies start to weigh on cash in the absence of the demand necessary to clear the market at current price levels. The ISM and WCB regions are approximately \$18 lower, today, than the daily, National counterpart while the weekly reference price (for week ending November 1) was \$15.38 lower in USD/cwt. That cash markets are pushing lower at this time of year should come as no surprise as the move entirely reflects seasonality; more hogs are being slaughtered at heavier weights, subsequently producing more pork. Weekly slaughter came in just over 3% higher than year ago last week in a trend that is expected to the end of the year. Annual estimates on pork production for 2019 are coming in at 4.7% higher than year ago (up to 7% higher for the second half of 2019 alone) and exports, while good, have not matched expectations or are enough, so far, to absorb the extra production - China has simply not entered the US market in force or anywhere near early expectations. However, export markets have picked up in October and November when prices reach seasonal lows, but the market won't know the total volumes from customs data for months. In the meantime, the market will be watching the weekly export sales report for upticks in activity, particularly from the traditional Asian markets and Mexico. China activity is as uncertain as ever despite the ravages of ASF. There are any number of reasons for this, but consensus is that the ongoing trade war is likely at the heart of the inconsistent buying patterns not to mention China's own official comments stating they will only buy what their domestic market 'needs', which apparently is open for interpretation and not what western commentators thought they would 'need' at this time. Lean hog futures are starting the week off on a lower note and are trading at the lower end of the recently established range.

Canadian delivered soymeal prices opened lower this morning. News headlines and market commentaries are maintaining that a China/USA trade deal is 'close', will be done 'soon', or any other number of missives suggesting progress is being made. Markets are less enthusiastic, however, and are trading the fundamental picture including S. American progress, weather-related, and US production estimate news instead. Beans are mixed and meal is up to start the week. Crop progress will be released after today's trading session.

US corn futures opened lower this morning. US corn futures remain in the middle of the recently established range but are trading lower this morning. Ongoing issues in the ethanol sector related to the issuance of small refinery exemptions could create demand issues further out which is a concern considering approximately one third of the US corn crop is used in the production of ethanol. Export demand has been weak and while not as 'important' as ethanol demand (13% of total production), it is nonetheless weighing on the trade.

Forward Range (at opening)	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug
Maple Leaf Sig. #5		139.48 141.57	138.47 154.66	159.64 163.62	163.91 169.78	176.51 179.48	181.56 194.25	198.45 207.69	203.86 207.89	196.51 205.05
Soymeal Delivered Wpg/S.Man	448	450	453	456	456	464				

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