

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

| US Slaughter | |
|--|-----------------------|
| 418,000 | Tuesday |
| 413,000 | Tuesday (year ago) |
| W. Corn Belt | \$85.70 |
| National Price | \$85.31 |
| Daily Sig 3 | \$158.22 |
| Daily Sig 4 | \$152.52 |
| Thunder Creek | \$155.51 |
| 4-Month Fwd. | \$161.15 |
| 1 Export Sows (+500lbs) \$ 45.00 cwt. | |
| B of C Ex. Rate (Noon) \$1.0072 CAD/\$0.9928 USD | |
| Cash Prices: Week Ending April 26, 2013 | |
| Signature 3 | 68.06/150.04 |
| Signature 4 | 67.97/149.85 |
| h@ms Cash | 67.29/148.35 |
| Hylife | 65.64/144.72 |
| Thunder Creek | 67.13/148.00 |
| ISO Weans | \$28.60 US Avg. |
| Feeder Pigs | \$56.91 US Avg. |

Forward contract prices opened lower this morning. US cash markets are trading firm today, even as yesterday's trade yielded gains of more than \$2.00/cwt. across all but one reporting region. Packers have been competing for the shrinking live hog supply based on good profitability. However, yesterday's cash market gains combined with the losses in wholesale pork prices resulted in a sharp drop in packer operating margins, which may influence their near term buying strategy. The pork cut-out fell by \$1.50/cwt. as reported by the USDA's mandatory report, with the loin and rib primal cuts responsible for the decline. These two cuts typically benefit from increased demand at this time of year due to the start of barbecue season, but have actually lost value over the last two weeks. Lean Hog futures remain optimistic on the near term direction of hog prices, as the June and July contracts are holding a \$5.00/cwt. premium over the current cash market. The Canadian Dollar is trading at over US\$0.99, supported by recent evidence that our economy grew by more than was expected in the month of February.

Canadian delivered soymeal prices opened lower this morning. US soybean futures are trading lower. Analysts are citing profit taking and technical trading as factors in turning the trade lower. As well, commodity markets in general are under pressure following weaker than expected manufacturing numbers from China, weaker than expected export data from South Korea, and lower than expected employment numbers in the US. There are no new developments regarding South America this morning; export issues remain constant.

Canadian delivered corn prices opened higher this morning. US corn futures are trading lower. As with soybeans, profit taking influenced the trade lower yesterday with some analysts cautioning against reading too much into the recent rally. They point out that despite the recent upswing and on-going weather concerns, the market still has a few more weeks to go before getting too concerned about production issues as a result of later-than-average planting schedules.

| Fixed Forward Range | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb |
|----------------------|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| (Maple Leaf Sig. #3) | | 161.59 166.22 | 164.96 167.28 | 156.33 164.77 | 148.44 150.30 | 142.12 149.55 | 132.59 138.63 | 135.38 138.16 | 136.36 141.95 | 142.41 144.74 |
| (Maple Leaf Sig. #4) | | 162.03 165.26 | 164.23 165.49 | 158.48 164.05 | 149.50 155.43 | 145.72 150.22 | 134.69 142.61 | 136.67 140.27 | 137.28 140.34 | 142.87 143.59 |
| Soymeal Delivered | 510 | 500 | 501 | 504 | 504 | | | | | |
| Corn Delivered | 289 | 291 | 293 | | | | | | | |

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