

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

US Slaughter	
437,000	Thursday
427,000	Thursday (year ago)
Daily Prices	
W. Corn Belt	\$62.74
National	\$66.40
Iowa/S. MN.	\$62.94
Signature 3	\$149.17
Hylife	\$151.49
Thunder Creek	\$149.31
Sig 3 4-Month Fwd.	\$179.28
BoC Rate (Noon) prev. day \$1.2971 CAD / \$0.7710 USD	
Cash Prices Week Ending April 02, 2016	
Signature 3	150.11-68.09
h@ms Cash	148.61/67.41
Hylife	n/a
Thunder Creek	148.9/67.54
ISO Weans	\$40.65 US Avg.
Feeder Pigs	\$83.26 US Avg.
#1 Export Sows (Tagged)	\$30.00/cwt. (+500lbs.)

Forward contract prices opened mostly higher this morning.

US cash markets are finishing this week lower, with packers taking back most of the early week gains. Lower wholesale pork prices are making packers cautious about adding money to their cash bids, as they attempt to protect their operating margins. Further to this, hog supplies are ample as confirmed by last week's Hogs and Pigs report, which surprised many in the industry who were forecasting a reduction from last year of close to 2%. After hitting a two month high earlier this week, the pork carcass cut-out gave back all that it gained, with weakness experienced in all of the primal cuts. Weaker cash market fundamentals are pressuring summer month Lean Hog futures with the week's trade resulting in a 4% decline. Traders had trouble rationalizing the premium built into this period that was close to \$17/cwt over the current cash market, with the five year average premium only about \$10/cwt. However, fall month futures have not experienced the same declines, and still represent good value in the context of what is expected to be record large production.

Canadian delivered soymeal prices opened higher this morning.

US soybean futures traded in a mixed pattern after the Planting Intentions and Grain Stocks reports were released yesterday. While stocks and acreage are still relatively large, both came in slightly below average market expectations. In fact, 74% of the estimating states indicated they would be planting the same or lower acreage when compared to the previous year. Initial reaction was for the market to follow corn and trade lower, but as the session wore on, support started to return in a pattern that has been duplicated this morning.

US corn futures opened lower this morning.

US corn futures plunged over 4% and the nearby contract reached \$3.47 USD/bu. at its lowest following the release of the USDA reports yesterday. Planting intentions are up a whopping 6% for the 2016/17 season, and if realized, will be the third highest planted acreage since WWII. With lacklustre demand outlooks currently, the US corn trade will look to weather events for any semblance of a premium. To be sure, there is a lot of weather to get through between now and harvest; and if the El Nino transition phase turns out to be particularly intense, the tone could shift quickly.

Analysts' Estimates vs. Grain Stocks and Prospective Plantings Reports				
		Range	Avg.	USDA
Soy	Acreage	81.6 - 84.2	83.057	82.2
	Stocks (bn. bu.)	1.425 - 1.615	1.556	1.530
Corn	Acreage	89.0 - 91.0	88.972	93.6
	Stocks (bn. bu.)	7.7 - 7.975	7.801	7.810

Source: DLR, USDA

Fixed Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Maple Leaf Sig. #3		165.80 180.22	181.42 187.42	179.92 188.02	170.13 184.57	155.58 162.20	154.90 156.10	132.59 148.82	134.39 140.40	133.81 142.13
Soymeal Wpg Delivered	409	409	412	412	414	416	418	420	420	
Corn	Local delivered price available on request									

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