

Hog Prices: $\uparrow\downarrow$ Soymeal: \downarrow
Corn: \downarrow CDN Dollar: \downarrow

Forward contract prices opened mixed this morning. US cash markets started the week with lower bids as packers are still easily filling shackles for their weekday production schedule. While wholesale pork prices stabilized from last week's declines, hog buyers are not being forced to compete for the supplies given that hog numbers have been running nearly 5% larger than year ago levels in recent weeks. Summer month lean hog futures prices have dropped nearly 10% in value over the last six trading days, reflecting the fact that supplies are expected to be more abundant through the normally low supply season than is typical. In addition, increased competition from chicken and beef could make it more difficult to move the increased volume of pork domestically. Evidence suggests that pork exports may have slowed recently, which could further weaken lean hog futures and, by extension, forward contract prices. Producers who have not yet covered a portion of their July – December production should look to hedge up to 1/3 of their intended production on any modest support.

Canadian delivered soymeal prices opened higher this morning. US soybean futures prices are levelling out now that the market has had some time to digest the results of the Prospective Plantings report. The trade is still correcting from the double-digit losses experienced last Friday, but to a much lesser degree than even yesterday. Other supportive factors include news that Brazil exports have risen to record levels for the month of March and a 30% increase for the first quarter of 2017. On the other hand, many analytical firms are revising Brazil estimates higher including a respected US-based one that is now joining the chorus of those suggesting 111 MMT in production from the country is possible. Revisions upward to Argentine estimates are also making the rounds, albeit to a lesser extent.

US corn futures opened higher this morning. US corn futures are back under pressure following some short-lived support after the Prospective Plantings report was released on Friday. Harvest pace in South America has been contributing to the support with Brazil 1st crop coming in at 58% complete compared to 76% last year and an approximate 65% three-year average. Argentine corn harvest is also behind pace, but harvesting in the country is at its early stages. Pressuring the trade are expectations of large production volumes. Like beans, production estimates from private firms are rising for both countries relative to current USDA estimates; the next WASDE report will be released on April 11.

| US Slaughter | |
|---|----------------------|
| 443,000 | Monday |
| 434,000 | Monday (year ago) |
| Daily Prices | |
| W. Corn Belt | \$61.00 |
| National | \$67.85 |
| Iowa/S. MN. | \$61.30 |
| Signature 5 | \$155.48 |
| HyLife | \$159.09 |
| Britco | \$150.11 |
| TCP/BP2 | \$155.48 |
| 4-Mo. Sig5 Fwd | \$ 164.69 |
| BoC Rate (Noon) prev. day \$1.3389 CAD / \$0.7469 USD | |
| Cash Prices Week Ending April 1, 2017 | |
| Signature 3 | 154.50/70.08 |
| Signature 4 | 166.57/75.56 |
| Signature 5 | 160.54/72.82 |
| h@ms Cash | 159.04/72.14 |
| HyLife | 164.06/74.42 |
| Britco | 160.94/73.00 |
| TCP/BP2 | 166.39/75.47 |
| ISO Weans | \$38.37 US Avg. |
| Feeder Pigs | \$67.20 US Avg. |
| #1 Export Sows (+500lbs.) \$45.00/cwt. (Tagged) | |

| Fixed Forward Range (at opening) | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Jan | Feb |
|-------------------------------------|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Maple Leaf Sig. #5 | | 151.93 166.11 | 162.59 171.92 | 165.39 171.92 | 159.27 167.80 | 150.40 159.12 | 147.36 150.25 | 133.35 145.25 | 130.86 139.19 | 135.12 143.43 | 144.03 147.24 |
| Soymeal Wpg Delivered. | 439 | 439 | 448 | 448 | 457 | 457 | | | | | |

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