

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

Forward contract prices opened lower this morning. US cash markets continued their weaker trend yesterday with some regional prices dropping under the \$60 USD/cwt benchmark. Packers are matching their cash hog bids to losses in the wholesale pork market with the abundant hog supply limiting the need to compete on price. The pork carcass cut-out has slid more than 12% over the last 6 weeks and is now trading at its lowest level since early December. This has been the primary factor pressuring lean hog futures that eroded all contracts to their lowest level since October, 2017. It will likely take a sustained period of stronger pork prices to turn the market trend as the volume of meat produced in the US is unprecedented. Yesterday, the USDA released its monthly export data for February which showed that export volumes were up 15% while the value of these exports were nearly the same as last year. These monthly stats are very good by historical standards, but need to see improvement if the market is to avoid further price declines. Producers should look to cover up to half of their July – December production on price rallies of \$2-\$4 CAD/cwt, as record pork production threatens to take prices lower even with good export demand.

Canadian delivered soymeal prices opened lower this morning. US soybeans are trading lower. While there is talk that Chinese buyers are in the market, the focus appears to be on Brazilian product where up to 10 cargoes could be have been secured this week. Rising demand from China is a supportive factor and word that improving crush margins in China could add to that support. However, the market is struggling to shake off the fundamental supply picture, and despite being in oversold territory, the trade remains in a bearish trend. Big crops in Brazil are getting bigger – yesterday, we reported a private firm posted an ‘upper end’ estimate of 113.8 MMT; today, a new private estimate suggests 114.3 MMT could be possible.

US corn futures opened lower this morning. Like beans, US corn futures have come under pressure this morning in part on thoughts that China could release up to 20 MMT of stocks from state reserves and talk the auctions could start today. Furthermore, US supplies are expected to be relatively large and even though US acreage has been reduced, over 2 billion bu. in ending stocks for 2017/18 are still projected. However, support further out could develop from South America where a dry spell is being closely watched in Brazil for the Safrinha crop and some wet weather in Argentina that is creating some concern. Adding to this tone, ethanol numbers for February were strong and posted the largest export month since 2011 while production was down 4.4% since last year.

US Slaughter	
441,000	Wednesday
428,000	Wednesday (year ago)
Daily Prices	
W. Corn Belt	\$60.25
National	\$67.43
Iowa/S. MN.	\$60.31
Signature 5	\$154.31
HyLife	\$159.20
Britco	\$147.92
TCP/BP2	\$154.31
4-Mo. Sig5 Fwd	\$ 163.49
BoC Rate (Noon) prev. day \$1.3411 CAD / \$0.7457 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		150.77 164.91	161.40 170.71	164.20 170.72	158.04 166.57	149.28 157.99	146.26 149.16	132.17 144.07	129.69 138.01	133.82 142.12	142.72 145.92
Soymeal Wpg Delivered.	440	440	449	449	457	457					

This information is intended to aid producers in making marketing decisions. Opinions given do not guarantee any future events or performance and all pricing is subject to verification. Any unauthorized distribution is strictly prohibited.