

Hog Prices: ↓ Soymeal: ↑

Corn: ↑ CDN Dollar: ↑

US Slaughter

2.370 mil. Last Week
2.368 mil. Year Ago

Daily Prices

| | |
|--------------------|----------|
| W. Corn Belt | \$68.81 |
| National | \$73.97 |
| Iowa/S. MN. | \$68.93 |
| Signature 5 | \$155.59 |
| HyLife (prev. day) | \$160.43 |
| Britco (prev. day) | \$155.33 |
| TCP/BP2 | \$158.59 |

BoC Rate (Noon) prev. day
\$1.2321 CAD / \$0.8116 USD

Cash Prices Week Ending January 27, 2018

| | |
|-------------|--------------|
| Signature 3 | 158.01/71.67 |
| Signature 4 | 162.88/73.88 |
| Signature 5 | 160.45/72.78 |
| h@ms Cash | 158.95/72.10 |
| HyLife | 161.55/73.28 |
| Britco | 158.66/71.97 |
| TCP/BP2 | 159.33/72.27 |

2017 Top-Up

\$4.22/ckg (call for details)

ISO Weans \$71.26 US Avg.

Feeder Pigs \$86.29 US Avg.

Forward contract prices opened mostly lower this morning. US cash markets lost some value last week as packers were unwilling to bid the market higher while pork product values have not shown any leadership over the last two weeks. Disruptions to the normal flow of hogs for two consecutive weeks can sometimes lead to more aggressive weekend kills, but the failure of packers to make up for lost time earlier in the week may indicate some hesitancy on near term price trends. News reports from Montreal on recent NAFTA negotiations are mixed, but some suggest that there may be reason for optimism that a deal can be reached as talks were not following the pessimistic trend that we saw in the last round. Cautious support was seen in all offered lean hog futures contracts early this morning, but we are still in an environment of high uncertainty. Producers should consider securing prices on one third of their May – August production to mitigate some of their price risk at profitable levels through the use of forward contracts.

Canadian delivered soymeal prices opened higher this morning. Showers over Argentina have relieved some of the immediate moisture concerns over the weekend, but it has not been enough to influence the market lower as the pop-up showers did not provide widespread relief. While weather in Argentina was a bit better than expected, Brazil saw a bit too much rain which is hampering movements to port for the northern part of the growing region. The production concern in Argentina have not yet been enough to entice traders to abandon short positions entirely because while there are some ongoing concerns, global stocks could come it at record levels for the 2017/18 season.

US corn futures opened higher this morning. Follow-through buying on decent export numbers last week, ongoing short covering activity, and the lower US dollar are all factors contributing to the recent strength seen in US corn to start the week. The trade hasn't quite left the \$3.50 USD/bu. price in its wake just yet, but the nearby contract is slowly making its way to \$3.60/bu. which would be a level that hasn't been seen since early December 2017 (briefly, for one session) and November 2017 before that (as a trend). US corn futures are still net short 240,000+ contracts despite the recent buying activity.

| Fixed Forward Range (at opening) | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec |
|----------------------------------|-----|-----|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Maple Leaf Sig. #5 | | | 148.83 156.33 | 156.17 156.28 | 158.90 172.85 | 170.79 182.18 | 174.50 179.21 | 172.66 178.43 | 151.67 165.30 | 149.25 152.91 | 132.88 143.96 | 131.88 135.58 |
| Soymeal Wpg/S. Man Delivered | 451 | 451 | 451 | 455 | 455 | 458 | | | | | | |

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STRENGTH IN NUMBERS

