

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

US Slaughter

466,000 Monday
440,000 Year Ago

Daily Prices

W. Corn Belt \$69.39
National \$73.90
Iowa/S. MN. \$68.48
Signature 5 \$159.35
HyLife (prev. day) \$160.25
Britco (prev. day) \$156.74
TCP/BP2 \$159.35

BoC Rate (Noon) prev. day
\$1.2335 CAD / \$0.8107 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 lower this morning. US cash markets started this week with a steady/firm trade that is consistent with the last 2 weeks of cash market activity. Packers were able to return to a full production schedule with the USDA reporting yesterday's slaughter at 466,000 hogs, a number that they have struggled to meet over the last several weeks. Wholesale pork prices are showing no clear direction with loins and hams experiencing weakness, but pork bellies coming in strong enough to maintain the cut-out value. This recent trend is inconsistent with the latest Cold Storage report which showed pork belly inventory nearly double that seen a year ago, while inventory for most of the rest of the carcass is down. Most lean hog futures are down approximately \$2.00 USD/cwt from last week's levels, and with the Canadian Dollar trading at the high end of its range, forward prices are down more than \$5.00 CAD/kg from their highs. Producers should consider setting targets for the May – August timeframe for 30% of their production at \$5.00 CAD/kg higher than current prices, and \$7.00 CAD/kg higher for the September – December timeframe.

Canadian delivered soymeal prices opened higher this morning. US soybean futures are trading higher this morning but appear to be attempting to define a new range. The recent trend has seen the market go from a low in the \$9.44 USD/bu. range on January 12 to a current \$9.96 as of this writing, but the momentum has throttled back recently and even closed lower on the 26th. South American weather remains supportive with not enough timely rain in Argentina and too much in areas of Brazil hampering movements. Slow selling in Argentina amid potentially lower production is starting to filter through to US meal markets, adding support. However, large global stocks estimates are keeping the upside in check...for now.

US corn futures opened higher this morning. Ongoing strength in US corn futures has been a feature of the trade since the middle of January and despite closing lower in a couple sessions, continues its tack upward. Today, the nearby contract broke through the psychological \$3.60 USD/bu. for the first time since the level was briefly eclipsed at the beginning of December; before that, March corn didn't see the trade consistently above \$3.60 since before early November. It may be a bit too early to define the move as a significant rally for now, but there is increasing talk the less acreage will be planted due to low prices and low to negative margins.

Fixed Forward Range (at opening)	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5			145.94 153.43	153.37 153.48	156.64 170.60	168.53 179.94	171.93 176.63	170.13 175.90	149.76 163.39	147.34 151.00	131.72 142.80	130.73 134.43
Soymeal Wpg/S. Man Delivered	452	452	452	456	456	459						

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