

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

**Forward contract prices opened mixed this morning.** US cash prices gained more than \$1.50 USD/cwt in the Midwestern regions during yesterday's trade, breaking out of the sideways trend that we have seen for the last two weeks. Packers have been able to increase this week's production due to fewer weather disruptions which has helped to keep producers more current with their marketings. The pork carcass cut-out has been similarly stable over the last two weeks with packers realizing an average gross margin per hog of about \$24.00 USD. Yesterday's cash market strength is contributing to some support being seen in the nearby lean hog futures, but the market is still within its relatively tight trading range for the last month. Contributing to the steady trend is the lack of fund buying which likely stems from the weaker technical indicators experienced for the month of January. Producers looking to get a base level of price protection on their spring/summer production should set targets at approximately \$5.00 CAD/ckg higher than current forward prices.

**Canadian delivered soymeal prices opened lower this morning.** There is talk managed money has moved to the sidelines for now and also that the market is technically overbought which is contributing to the turn lower this morning. As well, the weekly export numbers for week ending January 25 released this morning came in below expectations and were down 46% on the week (50% lower compared to the 4-week average). The net result for Canadian meal is a \$7 CAD/MT drop in price compared to the Tuesday highs, but the market would not be described as bearish. Ongoing weather concerns in the southern hemisphere will likely keep the downside in check as the fundamentals have not substantially changed.

**US corn futures opened lower this morning.** In the past couple sessions, March corn futures have broken through the psychological \$3.60 USD/bu. mark over the trading session in a move that hasn't been seen since December 4, 2017. Like beans, however, the trade is backing off recent highs while traders discuss if the market is reaching a short-term top. A strong export report, like the one released this morning showing net sales coming in 28% higher than last week and 93% higher than the 4-week average, would normally provide some more support. However, there is still a lot of corn in the marketplace and ongoing talk today that the funds are less active than they have been recently.

### US Slaughter

463,000 Wednesday  
443,000 Year Ago

### Daily Prices

W. Corn Belt \$71.15  
National \$74.07  
Iowa/S. MN. \$71.22  
Signature 5 \$160.98  
HyLife (prev. day) \$160.72  
Britco (prev. day) \$160.12  
TCP/BP2 \$160.98

**BoC Rate (Noon) prev. day**  
\$1.2293 CAD / \$0.8135 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.

Fixed Forward Range (at opening)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		145.45 152.92	152.77 152.88	156.80 170.70	165.65 180.00	172.98 177.68	171.36 177.12	151.26 164.89	148.70 152.35	132.84 143.90	131.85 135.54
Soymeal Wpg/S. Man Delivered	444	444	448	448	451	451					

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