

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

## US Slaughter

464,000	Wednesday
434,000	Year Ago

## Daily Prices

W. Corn Belt	\$67.08
National	\$73.69
Iowa/S. MN.	\$67.12
Signature 5	\$159.38
HyLife (prev. day)	\$163.41
Britco (prev. day)	\$154.21
TCP/BP2	\$159.38

BoC Rate (Noon) prev. day  
\$1.2652 CAD / \$0.7961 USD

## Cash Prices Week Ending February 10, 2018

Signature 3	165.00/74.84
Signature 4	166.86/75.69
Signature 5	165.93/75.27
h@ms Cash	164.43/74.58
HyLife	165.63/75.13
Britco	160.26/72.69
TCP/BP2	160.13/72.63

## 2018 Top-Up Estimate

\$1.01 /ckg (call for details)

ISO Weans \$72.29 US Avg.

Feeder Pigs \$82.61 US Avg.

**Forward contract prices opened higher this morning.** US cash markets weakened further in yesterday's trade, dropping an additional \$0.90 USD/cwt and maintaining the steep, lower trend that characterized last week's trade. While wholesale pork prices have stabilized this week (holding a value near \$77.50 USD/cwt), packers have continued to lower their bids in an effort to recover some of their margins. Estimated packer margins have shrunk to their lowest level in about three years as the new plants that ramped up last fall have changed the competitive landscape with producers benefitting from a larger share of the pork consumer's dollar. Yesterday, lean hog futures found support and added an average of \$1.00 USD/cwt to all of the 2018 contracts. Fourth quarter forward contract prices never dropped as low as the summer months earlier, so yesterday's rally returned October – December prices to within \$2.00 CAD/kg of contract highs. Producers should look to cover a third of their intended production in this timeframe at an average price of \$145 CAD/kg in order to secure profitable hog production amid significant uncertainty in supply and possible trade disruptions.

**Canadian delivered soymeal prices opened higher this morning.** US soybeans continue the upward path and are trading at levels not seen since early December. The nearby contract (March) broke the \$10.00 USD/bu. threshold three sessions ago and while some of the momentum has subsided, there appears to be no indication that the top has been reached. Ongoing weather concerns in Argentina are providing underlying support and forecast rain on the weekend is only expected to be regional and scattered. And while exports came within expectations for week ending February 8, an ongoing trucker's strike (preventing movements and causing port lineups) is adding to the support. Argentina is the number one exporter of meal in the world, and any logistical delays and/or production issues will be noticed.

**US corn futures opened mixed this morning.** US corn futures have backed off recent momentum but there is talk the technicals can still support more to the upside. US exports sales released this morning show US corn sales approaching 2 MMT (1.974 MMT to be precise) and are considered strong coming in 12% higher than week ago (14% higher than the rolling 4-week average). Expectations for this week's report were between 1 and 1.5 MMT. Like beans, US corn futures are trading at levels not seen in months although there is talk a near-term top could be defined soon.

Fixed Forward Range (at opening)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		151.79	151.56 151.68	155.35 169.50	167.40 178.96	172.21 176.98	171.74 177.59	153.08 166.92	150.54 154.25	134.21 145.44	133.20 136.95
Soymeal Wpg/S. Man Delivered	503	503	507	507	503	503					

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**h@ms Marketing Services will be closed Monday, February 19**

for Louis Riel Day (MB) and Family Day (SK and AB). US markets are closed for President's Day.

Forward contracting will be unavailable and the HMO/Opening Price reports will subsequently not be published. Normal business resumes on Tuesday, February 20.