

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

US Slaughter	
463,000	Thursday
444,000	Year Ago
Daily Prices	
W. Corn Belt	\$62.54
National	\$68.49
Iowa/S. MN.	\$62.57
ML Signature 5	\$152.68
HyLife (prev. day)	\$156.07
TCP/BP2	\$152.68
BoC Rate (Noon) prev. day	
\$1.2927 CAD / \$0.7736 USD	
Cash Prices Week Ending March 10, 2018	
Signature 3	148.14/67.20
Signature 4	157.55/71.46
Signature 5 Brandon	152.85/69.33
h@ms Cash	151.35/68.65
HyLife	n/a
TCP/BP2 Moose Jaw/Langley	151.91/68.91
2018 Top-Up Estimate	
\$2.76 /ckg (call for details)	
ISO Weans	\$60.34 US Avg.
Feeder Pigs	\$88.53 US Avg.

Forward contract prices opened higher this morning. US cash markets have come under pressure over the last week with weaker wholesale pork prices squeezing packer operating margins. Recent hog supplies remain ample relative to what was anticipated at this time of year with the past two weeks' hog slaughter exceeding year-ago levels by more than 5%. Pork bellies lost nearly 25% of their value this past week, dragging the value of the pork carcass cut-out to its lowest level since early October. Yesterday, President Trump confirmed tariffs on steel and aluminum on all countries except Canada and Mexico yet went on to suggest that if NAFTA negotiations did not progress (and a deal could not be reached), the exemption may be removed. China has said that it will retaliate against these tariffs and many have suggested that agricultural products like pork could be a target. Producers should be covering up to one third of their September – December production at current prices in order to secure positive profit margins amid projected supply increases of 5% and uncertainty over export market access given the greater possibility of a trade war.

Canadian delivered soymeal prices opened lower this morning. Yesterday's WASDE report was considered bearish by the market. The USDA raised ending stocks estimates 25 million bu. above the average pre-report estimate (coming in at 555 million bu.) which was considered a surprise albeit reasonable considering a relatively slower export pace. There is talk the Argentine crop could stabilize in the face of some improving weather, but that very much remains to be seen. In the meantime, production from the country was estimated to come in at 47.0 MMT compared to the average trade estimate of 48.4 MMT. While the USDA's March number is in fact lower than the pre-report estimate, it is no where near some of the more pessimistic outlooks coming in near 40 MMT and is thus considered bearish.

US corn futures opened lower this morning. US ending stocks of corn for the next marketing year were pegged lower than last month's numbers, largely, on strong demand. But the estimate has not been enough to carry support to the trade at the beginning of today's session despite rallying to highs following the WASDE report yesterday. There is talk the corn trade is 'following' the beans and wheat trades currently which may or may not be sustained. In the meantime, US corn fundamentals are supportive in the longer term as export demand is expected to remain strong (and was raised 175 million bu. relative to last month) at the same time ethanol demand was raised 50 million bu. while larger than expected cuts to US and global stocks were made yesterday.

Fixed Forward Range (at opening)	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		148.41 148.76	152.39 167.60	165.45 177.30	170.90 175.80	170.37 176.38	151.13 165.35	148.29 152.09	133.95 145.47	132.91 136.76
Soymeal Wpg/S. Man Delivered	519	519	519	524	524	523				

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