

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

Forward contract prices opened higher this morning. US cash markets started this week's trade with no changes to the regional bids, reflecting the ample supply of hogs (and pork) in the market. Weekday slaughter across the USA is averaging around 460,000 hogs which is keeping plants fully supplied and most packers are choosing to cut their weekend production shifts in order to maintain higher levels of efficiency. Wholesale pork prices have been in a steady trend for the last couple of weeks, but for the last few years, the start of May has proven to be a turning point for pork prices and the pork carcass cut-out consistently has appreciated in value over the month of May. Lean hog futures are still in a bearish trend as traders are waiting for indications of a stronger cash market before they add any additional value. The deferred month contracts have lost about \$3.50 USD/cwt over the last two weeks as supplies are anticipated to be record large in this timeframe and traders are concerned that prices will need to see discounts in order to clear the market. Producers should secure prices on as much as half of their production in the September – December period in order to avoid further losses.

US Slaughter	
464,000	Monday
415,000	Year Ago
Daily Prices	
W. Corn Belt	\$58.31
National	\$64.00
Iowa/S. MN.	\$58.33
ML Signature 5	\$141.51
HyLife (prev. day)	\$144.82
TCP/BP2	\$141.51
BoC Rate (Noon) prev. day \$1.2836 CAD / \$0.7791 USD	
Cash Prices Week Ending April 28, 2018	
Signature 3	136.53/61.93
Signature 4	141.27/64.08
Signature 5 Brandon	138.90/63.00
h@ms Cash	137.40/62.32
HyLife	141.76/64.30
TCP/BP2 Moose Jaw/Langley	126.86/57.54
2018 Top-Up Estimate	
\$4.86/ckg (call for details)	
ISO Weans	\$33.64 US Avg.
Feeder Pigs	\$66.03 US Avg.

Canadian delivered soymeal prices opened higher this morning. US soybean crop progress is pegged at 5% and is exactly in line with the five-year average. While US corn started off a bit slow, soybeans are on pace, but it is really a bit too early to be making general statements on yield potential, although it is a good sign. 'Local' meal basis has firmed this morning out to the loads offered for forward contract in September. The net result has seen an immediate \$9 CAD/MT jump in Canadian prices and reflects the tightening of supplies that are anticipated heading into the summer. There is currently more risk to the upside than to the downside, but a good growing season in the US could temper some of those anxieties further out for the new crop.

US corn futures opened higher this morning. The USDA's Crop Progress report that came out yesterday afternoon showed decent progress over the previous week but still came in much lower than the benchmarks. The 17% planted estimate reflects a 12% increase over last week. However, progress as high as 25% was cited ahead of the report and the 17% is well short of the 27% five-year average and the 32% planted pace at the same time last year. However, US farmers can make rapid progress and consistently do so when a window of opportunity presents itself. As such, analysts and traders alike will be keeping a keen eye on this report in the coming weeks.

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		156.75 168.10	165.20 170.12	163.81 169.85	145.71 159.40	143.12 146.94	128.48 140.06	127.44 131.30	128.94 140.57	141.03 143.11	143.29 145.02	146.24 156.54
Soymeal Wpg/S. Man Delivered	562	563	563	564	560							

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