

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

US Slaughter	
464,000	Thursday
443,000	Year Ago
Daily Prices	
W. Corn Belt	\$58.64
National	\$64.63
Iowa/S. MN.	\$58.70
ML Signature 5	\$142.91
HyLife (prev. day)	\$146.19
TCP/BP2	\$142.91
BoC Rate (Noon) prev. day	
\$1.2862 CAD / \$0.7775 USD	
Cash Prices Week Ending May 5, 2018	
Signature 3	138.42/62.79
Signature 4	146.87/66.62
Signature 5 Brandon	142.65/64.71
h@ms Cash	141.15/64.03
HyLife	n/a
TCP/BP2 Moose Jaw/Langley	138.90/63.00
2018 Top-Up Estimate	
\$4.86/ckg (call for details)	
ISO Weans	\$33.64 US Avg.
Feeder Pigs	\$66.03 US Avg.

Forward contract prices opened lower this morning. US cash markets were weaker in yesterday's trade, losing about \$0.80 USD/cwt in most reporting regions. This decline in cash bids have erased the gains made earlier this week and further shakes the confidence within the market on seeing a 'typical' spring rally. The lower move matches a decline seen in the pork carcass cut-out, which suggests that some packers are managing their margins by matching changes in wholesale pork prices to their hog costs. Lean hog futures moved lower, in part due to yesterday's cash market move, with the October and December contracts starting to lose value compared to the summer months that are already trading at a smaller than average premium to cash market. Average forward prices for the September – December timeframe are currently trading at similar values as cash prices last year and are trading at a slight premium to the 3-year average. Producers should lock in prices on as much as half of their production in this timeframe to avoid further losses related to large supply increases and uncertain demand.

Canadian delivered soymeal prices opened lower this morning.

US soybean futures are trading lower to finish off the week although recent weakness in the Canadian dollar is keeping Canadian meal prices amid the highs. Trade uncertainty issues between the US and China are keeping some pressure on the trade as are rumors Chinese officials intend to increase soybean planting in the country and will even send government agents into the countryside to ensure farmers are indeed planting the crop as intended. On the supportive side, Argentina is now being drenched with rain in some harvest areas and while the national harvest pace is pegged at 62% complete, there are reports of machinery getting stuck in the fields and delaying progress. Rosario Grains Exchange estimates total crop production from Argentina to come in at 38 MMT (the lowest in 10 years) compared to the USDA's 40 MMT.

US corn futures opened lower this morning. Like beans, US corn futures are also finishing the week on a weaker tone. The market has been biased toward the high-side but has been trading in a choppy pattern recently amid some uncertainties that have yet to resolve themselves. While export sales came within expectations yesterday, the US is still facing large supplies on the balance sheet which is pressuring. On the other hand, production from South America is not estimated as strong as other years and at least one analytics firm has revised their expectations lower by 4% for the second crop. Dryness concerns are present here, potentially limiting final yields.

Fixed Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr
Maple Leaf Sig. #5		155.30	163.28	162.29	141.85	140.30	125.17	124.12	127.14	139.27	142.30	144.97
Soymeal Wpg/S. Man Delivered	559	561	564	568	568	554						

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