

## US Slaughter

2.514 mil.	Last Week
2.389 mil.	Year Ago

## Daily Prices

Iowa/S. MN.	\$48.68
W. Corn Belt	\$48.64
National	\$57.34

ML Signature 5	\$126.65
HyLife (prev. day)	\$133.88
TCP/BP2	\$126.65
BP4/TCP4	\$135.02

**BoC Rate (Noon) prev. day**  
\$1.3266 CAD / \$0.7538 USD

## Cash Prices Week Ending February 16, 2019

Signature 3	117.85/53.46
Signature 4	137.12/62.20
Signature 5	127.48/57.82
h@ms Cash	135.12/61.29
HyLife	135.40/61.42
TCP/BP2	129.50/58.74
BP4/TCP4	138.99/63.05

## 2018 Top-Up Value

\$6.50/ckg (call for details)

ISO Weans \$55.15 US Avg.

Feeder Pigs \$69.58 US Avg.

**Forward contract prices opened lower this morning.** US cash markets are starting the week off under pressure with all reporting regions coming in lower to start the week. While some commodities futures markets were closed yesterday due to President's Day in the US, cash markets remained open and reported prices over the holiday. Seasonal retail softness and an abundant supply are factors contributing to the weakness. As well, the cut-out value has been underperforming relative to history. The daily report for Monday shows the cut-out value net higher by \$0.27 USD/cwt, but as mentioned the carcass is residing amid the lows going back to 2014. Lean hog futures opened sharply lower this morning after having the day off yesterday. The market is reconciling with large forward-looking supplies and needs to see some positive export activity or a substantial domestic increase in demand. Recall that in the absence of current trade disputes with China and Mexico, the US would still have had to move large quantities of pork for the market to support elevated pricing levels. The trade disputes merely add a level of complexity the hog market was simply not looking for and will be under pressure until resolved. As well, there has been not hint of a commitment by China to import more US pork to fill ASF supply holes but the deferred contracts (October and December) are more optimistic and retaining some value.

## Canadian delivered soymeal prices opened even this morning.

US soybean futures markets are opening lower to start the week as the market has shrugged off any trade talk news. Trade delegations are returning to Washington DC this week with talks scheduled to resume today. The ongoing narrative from both camps appears largely positive. However, the market is increasingly pessimistic and reacting less to trade 'development' news as there is still a massive amount of beans to clear the market and the two sides remain quite far apart on structural issues that the Chinese negotiators are not likely willing to back down from.

**US corn futures opened lower this morning.** US corn futures are following beans lower to start the week. Ethanol usage issues aside, there are rumors that farmers may be reluctantly selling into this market in order to meet some cash flow needs. There is little evidence of this so far, but if true, it would add pressure to a market that has been trading rangebound and likely keep any potential break to the upside in check.

Forward Range (at opening)	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		122.47 122.47	124.70 127.87	135.32 153.94	160.62 177.20	173.68 175.71	169.46 175.52	154.73 161.33	149.25 152.53	135.38 148.80	133.29 138.82
Soymeal Wpg/S.Man	450	449	458	458	467	467					

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