

US Slaughter

475,000	Monday
451,000	Year Ago

Daily Prices

Iowa/S. MN.	\$76.38
W. Corn Belt	\$75.68
National	\$77.65

ML Signature 5	\$184.25
HyLife (prev. day)	\$182.93
TCP/BP2	\$184.25
BP4/TCP4	\$183.65

BoC Rate (Noon) prev. day
\$1.3325 CAD / \$0.7505 USD

Cash Prices Week Ending April 6, 2019

Signature 3	185.81/84.28
Signature 4	180.15/81.72
Signature 5	182.98/83.00
h@ms Cash	178.15/80.81
HyLife	180.08/81.68
TCP/BP2	172.05/78.04
BP4/TCP4	164.02/74.40

2019 Rolling Top-Up Estimate
\$6.26/ckg

ISO Weans \$61.43 US Avg.

Feeder Pigs \$95.40 US Avg.

Forward contract prices are lower this morning. US cash markets are mixed with ISM and WCB reporting regions backing off by \$0.88 USD/cwt on average while the National region is stronger by \$0.24 USD/cwt relative to the previous day. Seasonality, incremental improvements in the cut-out, and future demand optimism in the export markets are, in part, providing incentive for the cash moves higher, which, despite the lower move seen in ISM and WCB markets this morning, have been moving along a clear tack upward since the second week in March. Lean hog futures, meanwhile, have backed off from last week's highs and are trading lower at the opening this morning. Despite this move, it is important to recall that current levels are roughly 27% higher compared to the lows seen in February (June contract for example) and are currently residing among contract highs. Unsurprisingly, African Swine Fever speculation is behind the rapid increase in forward contract levels where it is widely believed the disease is underreported in China, is actually spreading throughout southeast Asia, and generally considered to be getting worse. Added to this are reports of a bird flu outbreak in one of China's northern provinces potentially limiting protein substitutes, assuming of course, consumers consider chicken as an option over pork. In the meantime, volatility is expected to be a feature of the futures market in the short-to-mid term or until some certainty returns.

Canadian delivered forward contract prices opened higher this morning. Despite opening higher, US soybean futures are seeing some weakness return to the markets as the China/USA trade talks lumber on with no clear indication on when a resolution to the current disputes will be settled. Moreover, ideas that ASF will impact feed demand is starting to more frequently enter the discourse amid ideas suggesting, on the one hand, that feed demand will remain relatively stable as substitute livestock production is ramped up, or on the other, that the Chinese market simply cannot absorb many more beans regardless of alternative livestock production. The WASDE report will be released a noon (Eastern) today.

US corn futures opened mixed this morning. US corn futures continue to trade among contract lows as the market waits for further news on direction. Some of that news will likely appear later this morning as the April WASDE report will be released later in the session. However, the extent to which the market 'reacts' to this report very much remains to be seen as the weather and the China trade progress has been dominating the headlines. Despite poor weather outlooks and talk of switching acres, the market remains pressured.

Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Maple Leaf Sig. #5		191.79 197.55	204.26 219.97	217.27 219.19	208.89 218.04	198.12 204.54	192.40 196.03	175.36 188.02	173.02 178.40
Soymeal Wpg/S.Man	456	459	466	465	469	471			

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