

US Slaughter

476,000 Wednesday

462,000 Year Ago

Daily Prices

Iowa/S. MN. \$76.26

W. Corn Belt \$75.86

National \$78.36

ML Signature 5 \$185.32

HyLife (prev. day) \$183.64

TCP/BP2 \$185.32

BP4/TCP4 \$185.34

BoC Rate (Noon) prev. day
\$1.3326 CAD / \$0.7504 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 higher this morning. US cash markets are once again see-sawing back and forth relative to the previous day and today the ISM is modestly up while WCB and National reporting regions are modestly down – the exact opposite of the previous session. The overall trajectory remains to the upside and many market watchers are of the view this tack will remain in place as we head into the summer. The pork cut out is higher on the day, led by bellies, which are now at seasonal highs not counting 2014, although if bellies remain on the same path, they are poised to be at record highs by mid-May, including 2014. Some cuts have backed off from recent strength with hams being the notable one and one to watch as the steel and aluminum tariff issue on Mexico (and subsequent pork tariffs on USA) remains in place. Meanwhile, lean hog futures gapped higher at the open and some of the nearby contracts saw limit up moves in the early trade. Overwhelming optimism that China will enter the US market for pork was reinforced by this morning's weekly export sales report which saw the second highest weekly sales on record. China took the lion's share of the overall 90,700 MT volume with a 77,700 MT commitment. This value is over 220% higher than the previous high Chinese commitment (~24,000 MT) that was made weeks ago. While commitments are not physical sales, it strongly suggests the USA will likely benefit from ASF related issues in China. In the meantime, the market remains highly volatile.

Canadian delivered forward contract prices are even this morning. US soybean futures have turned lower this morning on a disappointing export sales report that was released before trading opened. Pre-report expectations were for between 800,000 and 1,150,000 MT but came in far lower with net sales pegged at 270,400 MT. While there have been announcements that trade talks with China are going well, and progress is being made, there is a growing chorus of contrarians suggesting that China simply will not be able to take additional sales of US beans that have been announced while ASF runs its course and curbs feed demand.

US corn futures are mixed this morning. Export sales expectations for US corn were estimated between 600,000 and 950,000 MT but came in under the lower value at 548,000 MT in net sales. Initially, all contracts were lower, but they have since traded higher and are now in a mixed and choppy pattern. There are thoughts this action is due in part to the ethanol report which showed a slight increase in production, therefore using a greater amount of corn than previously thought. Recall that approximately one third of the US corn crop is utilized in ethanol production year over year.

Forward Range (at opening)	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan
Maple Leaf Sig. #5		198.45 203.99	210.25 224.09	223.51 225.24	216.58 225.67	206.73 212.57	201.14 206.71	185.11 196.63	178.67 187.68	181.41 184.35
Soymeal Wpg/S.Man	459	462	466	465	470	472				

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