

## US Slaughter

473,000	Wednesday
463,000	Year Ago

## Daily Prices

Iowa/S. MN.	\$80.48
W. Corn Belt	\$80.48
National	\$81.93
ML Signature 5	\$197.24
HyLife (prev. day)	\$194.31
TCP/BP2	\$197.24
BP4/TCP4	\$195.82

**BoC Rate (Noon) prev. day**  
\$1.3466 CAD / \$0.7427 USD

## Cash Prices Week Ending May 4, 2019

Signature 3	198.94	90.24
Signature 4	196.24	89.01
Signature 5	197.59	89.63
h@ms Cash	194.24	88.11
HyLife	194.42	88.19
TCP/BP2	197.44	89.56
BP4/TCP4	194.53	88.24

## Cumulative Top-Up Estimate

\$4.55 CAD/ckg

ISO Weans \$63.16 US Avg.  
Feeder Pigs \$90.54 US Avg.

**Forward contract prices opened lower this morning.** For the fourth consecutive day in a row, US cash markets are mixed with ISM and WCB up by approximately 44 cents (USD) on average while the National region is lower by 17 cents in USD/cwt. Regional cash prices in USD have flattened out and are even slightly lower than values seen two weeks ago. There is nothing to suggest this is the beginning of weakness in US cash markets as the summer rally has yet to fully develop amid expectations of moderating slaughter numbers and a reduction in weights. However, slaughter still remains near the new normal levels and weights have not come down all that much. Simply put, there is still a lot of supply and now that the hostilities and prickly trade rhetoric are ramping up between USA and China once again (ahead of a new trade deal deadline), the market is struggling to make headway. If demand is pushed down the road due to relatively weak export data (relative to expectations, that is), the cash market could be a little anemic over the next couple weeks. Put another way, current cash markets are already in line with the summer high values seen in 2015, 2016 and 2018; only 2017 was higher in recent memory. Lean hog futures, meanwhile, have lost some of the earlier momentum as evidence of increased activity to China has not yet fully developed and is even poised to claw back a bit if the trade talks in Washington do not go well this week. No one believes that China will be able to completely avoid the USA for pork supplies in the face of ASF. Nevertheless, China could attempt to do just that if the trade war lingers, and maybe only purchase from the USA in an emergency. Futures markets are decisively lower this morning.

**Canadian delivered forward contract prices opened lower this morning.** Almost all the 'other' information coming out amid increased trade hostilities is negative. Fundamentally, tomorrow's WASDE report is expected to show increased supply relative to last month and a slight decrease in production for the new crop marketing year but not by much relatively speaking. Big crops in South America continue to get bigger. Meanwhile, a notice posted on the US Federal Register indicates an increase to 25% (from 10%) on 200 billion of Chinese goods will go into effect tonight at midnight.

**US corn futures opened lower this morning.** Like most other commodities this morning, the weakness seen in the US corn trade is a function of the ongoing China/USA trade war uncertainty and expectations of large stocks for tomorrow's WASDE report. The May WASDE report will likely be buried by overwhelming attention paid to the trade negotiations taking place in Washington this week. A dinner between US Trade Representative Lighthizer and China's vice premier Liu will take place this evening and only hours before the new tariff rates are set to go into force.

Forward Range (at opening)	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb
Maple Leaf Sig. #5		198.18 202.19	197.05 198.75	191.23 204.16	182.85 188.73	178.51 183.43	165.32 174.52	161.51 168.54	163.24 176.46	177.55 178.11
Soymeal Wpg/S.Man	435	438	437	443	445	447				

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