

US Slaughter

497,000	Monday
495,000	Year Ago

Daily Prices

WCB	\$72.67
National	\$78.72
Nat'l Cutout Adj	\$82.90
Daily Cutout	\$92.11

Signature 4	\$176.24
BP4/TCP4	\$176.24
HyLife Cash	\$187.18
HyLife Cutout	\$197.11

BoC Rate (Noon) prev. day
\$1.2613 CAD / \$0.7928 USD

Cash Prices Week Ending

February 20, 2021

Signature 4	173.87/78.87
h@ms Cash	171.87/77.96
HyLife Cash	186.36/77.96
HyLife Cutout	195.00/88.45
BP4/TCP4	165.06/74.87
OlyWest 2020	167.00/75.75
OlyWest 2021 (Cutout)	184.10/83.51

ISO Weans \$53.87 US Avg.

Feeder Pigs \$77.78 US Avg.

Forward contract prices opened higher this morning. US cash markets continue to push higher with the WCB, National, and National cutout-adjusted regions presently showing daily base pricing that is higher than all the weekly references in 2020. The USDA cutout-formula used for price discovery in Red Deer is currently the only reference price not at its highest level compared to 2020 because of the way the cutout component interacts with the formula which was pushed to near-record levels in May and October that year. All regions are posting daily values well above their weekly three-year averages for the current marketing week with WCB, National, and National cutout-adjusted up 18%, 14%, and 21%, respectively; the USDA cutout-formula base has already been established for week ending February 27 and is 19% higher than the benchmark for this marketing week. Lean hog futures continue to also move higher as ongoing demand outlooks and expectations of a reduction in live supplies, due to a reduction in the breeding herd, provide underlying support. Present futures values are approximately 21% higher than cash average benchmarks (National region) with considerable value currently showing up in the April contract which is 32% higher than its average, historical base.

US soybean futures opened higher this morning. Analysts are suggesting there will be a lot of pressure for US soybean production to come in, at least, near normal to provide some relief to the currently tight ending stocks projections. Ending stocks below 120 million bu. is not out of the question presently and is providing support to the futures which are at levels not seen since 2014. A slower than average harvest in Brazil is also adding to the supportive tone.

US corn futures opened higher this morning. There is talk that weather concerns and delays in South America are prompting managed money into the market. The US corn balance sheet is not as tight as in soybeans, but there is not a lot of 'wobble room' either, relatively speaking for corn. The nearby contract is not at the highs seen two weeks ago, but at \$5.56 USD/bu, it is trading at its highest level in years.

Forward Range
(at opening)

	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Maple Leaf Sig 4	187.68 190.92	183.59 194.43	195.77 203.82	200.47 204.27	193.99 203.93	173.94 182.43	171.15 173.49	157.85 165.89	158.74 160.64

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