



Weekly Regional HOG PRICE Report



January 9, 2019

Things to Consider....

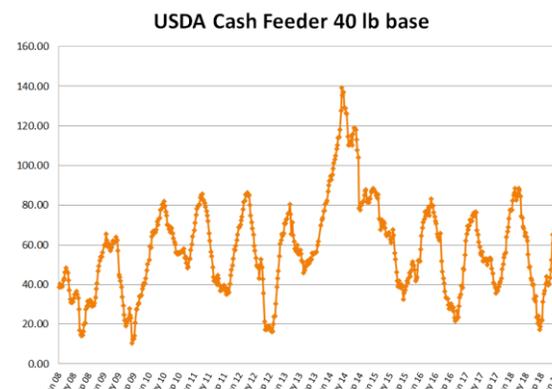
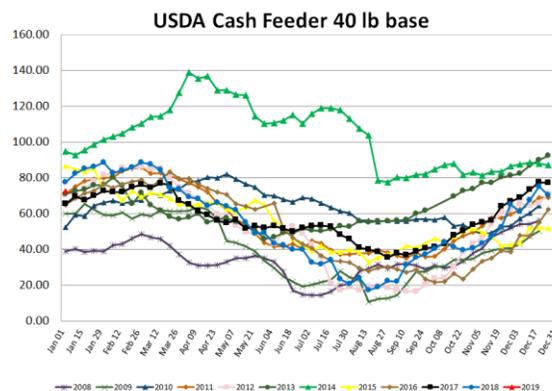
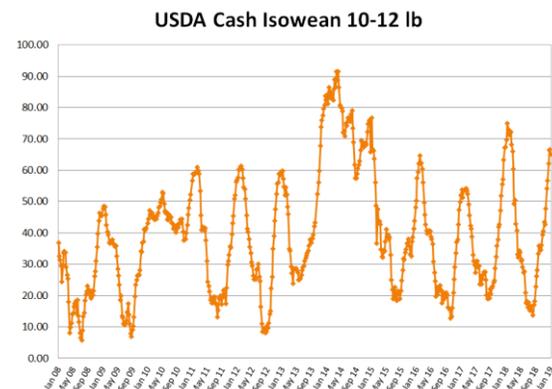
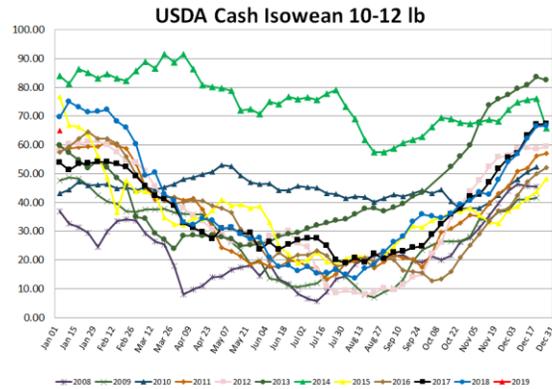
Seasonally the market is approaching the top values for isowean sales while 40-50 pound feeder pig prices continue to show signs of marginal upside over the next 6-8 weeks. As illustrated in the attached graphs, isowean prices experience a very seasonal price pattern which coincides with the values of lean hog futures 6 months into the future while feeder pig price movement is influenced by lean hog futures 4 months ahead. Isowean prices are historically their highest in December through February which matches with Jun-Aug lean hog prices while feeders are at their top during Feb-April. Summer market hogs obviously dictate higher small pig prices in the winter and spring months depending on size.

For producers selling isoweans, the next 4-6 weeks will provide the greatest opportunity for top sales. For any producers thinking about selling a load of excess production to free up potential finishing space, now is the time to do it. Producers who may have 40-50 pound feeder to market, you have a bit more time to make sales as the top in this market will likely not be until the last week in Feb or early March.

Small pig prices are not only impacted by seasonality but also by the value of the market in the months ahead. So far in late 2018 and early 2019 lean hog futures have traded near the upper end of their annual range adding the prices for small pig sellers. Conversely however, those producers who have filled barns over the last couple of months or in coming weeks, should be diligent in contracting some of the production since higher future prices were used in one form or another to influence the price of the pigs placed on feed.

Risk with not contracting some of the production is the threat of weaker summer markets which will further deplete potential summer margins based on a higher than normal purchase price due to strong futures at purchase time.

Lean hog futures continue to trade \$2-3 US per cwt under contract highs reached in late November. Any return of the futures back to the highs should be viewed as an excellent opportunity to secure margin for 2019.



Weekly Hog Price Recap

Regional and national cash hog values reported daily increases to improve amid moderate to high cash bid volume during the holiday-shortened week. CME cash also posted daily gains excluding Monday, however more modest than seen in regional/national cash hogs. Pork cutout fell \$0.55/cwt as most primals weakened except ribs and bellies, which firmed the last two weeks.

Cash Price	Weekly Averages		w/w	% Chg
	4-Jan-19	28-Dec-18		
ISM pm	\$47.63	\$44.61	\$3.01	6.8%
WCB pm	\$47.52	\$44.58	\$2.95	6.6%
Nat pm	\$46.95	\$44.84	\$2.11	4.7%
CME Index*	\$53.28	\$53.18	\$0.10	0.2%
BoC Exch	1.3538	1.3623	-0.0085	-0.6%

* Represents Friday-Thursday average

Values out of the WHE 17 jumped shy of \$4/hog, while those out of the WHE 19 rose \$0.75/hog. The ML Sig 5 rose near \$3.50, supported higher by the Sig 3 which surged near \$6.50/hog. Other Canadian markets reported more modest week-over-week changes with the ML Sig 4 up \$0.25/hog, and pricing out of Ontario and Quebec down \$0.40/hog and \$0.90/hog respectively. In the US, JM values jumped \$6/hog while values out of Tyson rose \$0.70/hog.

Regional Pricing, \$/hog								
Packer/Region	Difference		2018 YTD	Difference		Last 13 weeks	Difference	
	3 Year	to WHE		to WHE	to WHE		4-Jan-19	to WHE
WHE 2017	\$171.85		\$165.81		\$153.40		\$142.83	
WHE 2019							\$146.68	\$3.86
ML Sig 3	\$164.14	-\$7.71	\$155.54	-\$10.27	\$139.96	-\$13.44	\$128.74	-\$14.08
ML Sig 4	\$175.02	\$3.17	\$169.73	\$3.91	\$161.99	\$8.59	\$151.68	\$8.85
ML Sig 5	\$169.59	-\$2.26	\$162.63	-\$3.18	\$150.98	-\$2.42	\$140.22	-\$2.61
Thunder Creek **	\$167.99	-\$3.86	\$162.68	-\$3.13	\$152.99	-\$0.41	\$136.60	-\$6.22
Hylife	\$176.21	\$4.36	\$170.52	\$4.71	\$162.64	\$9.24		-\$142.83
Ontario	\$180.27	\$8.42	\$173.78	\$7.96	\$163.52	\$10.11	\$149.34	\$6.52
Québec	\$178.65	\$6.80	\$172.09	\$6.28	\$162.61	\$9.21	\$147.38	\$4.55
Tyson (USD)	\$138.98	-\$32.87	\$134.19	-\$31.62	\$120.93	-\$32.47	\$104.88	-\$37.95
John Morrell (USD)	\$132.42	-\$39.43	\$126.54	-\$39.27	\$111.26	-\$42.14	\$102.35	-\$40.48

**Thunder Creek reported with a 1-Week lag



Disclaimer: Commodity Professionals Inc. presents this report as a snapshot of the market using current information available at the time of the report. These findings are for informational purposes only and should not be reproduced or transmitted by any means without permission. Commodity Professionals Inc. does not guarantee, and accepts no legal liability arising from or connected to, the accuracy, reliability, or completeness of any material contained in the publication.