



Weekly Regional HOG PRICE Report



May 24, 2019

Things to Consider....

US Cold Storage reported total pork stocks at 621.9 million pounds for April, an increase of 2% or 13.5 million pounds over March. This brought pork in cold storage 2% under last year at this time or 27.6 million pounds under April 2018.

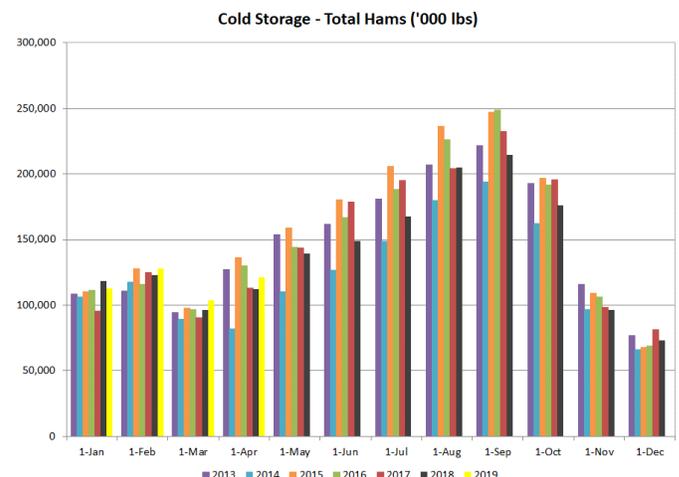
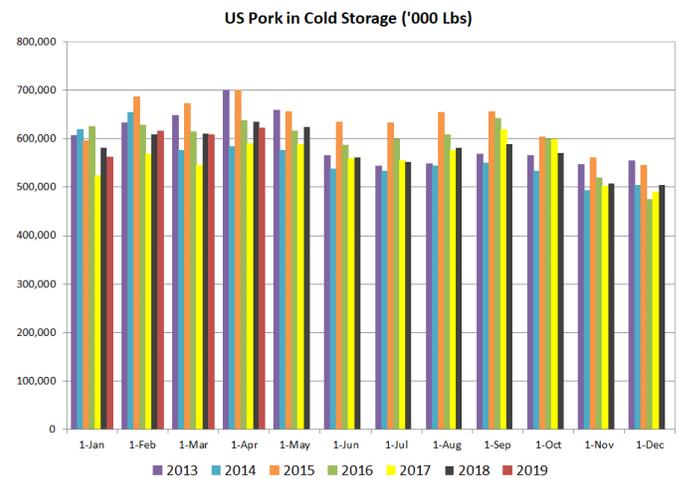
Ham supplies in cold storage were the greatest contributing factor to the overall rise on the report. Total hams jumped 17.9 million pounds for April, with the boneless variety accounting for the majority of the rise. This type of increase in cold ham supply is considered typical following the Easter holiday as total hams in cold storage find a bottom in March and but recover to peak seasonally in September. Picnics also reported higher levels, up near 2 million pounds from March or 24% higher than last reported.

Spare ribs in cold storage rose 6.2 million pounds, up 4.4% from last reported and 4.5% over last year. Supplies for the cut tend to peak in March before falling to a seasonal low in August. Bellies in cold storage were up 2.3 million pounds for April, followed by total loins which were up 1.5 million. Offsetting in part the rises in the categories previously mentioned were declines reported in trimmings, butts, and other pork. Trimmings dropped 7.5 million pounds, a decline of 13.5% from March, while butts fell 19.6% from last reported or 5.1 million pounds lower.

Historically speaking, pork in cold storage tends to decline from April into May as supplies of loins, ribs and butts begin to reflect better product movement with the start of the grilling season.

After trading firm for most of the week, futures continued their volatile trade by dropping limit on Friday to the same lows seen 2 weeks ago. Expectations are for continued two sided trade for the remainder of the summer. Producers should continue to take protection on the upper end of the range.

US Pork in Cold Storage					
('000 lbs)	Apr-19	Mar-19	Apr-18	M/M %	Y/Y %
Picnics	9,971	8,019	10,094	24.3%	-1.2%
Hams	121,367	103,486	112,145	17.3%	8.2%
Bellies	61,123	58,783	64,563	4.0%	-5.3%
Loins	43,173	41,627	39,830	3.7%	8.4%
Ribs	146,937	140,780	143,717	4.4%	2.2%
Butts	21,132	26,271	20,904	-19.6%	1.1%
Trimmings	48,305	55,835	57,490	-13.5%	-16.0%
Other	81,854	85,359	90,657	-4.1%	-9.7%
Total Pork	621,863	608,375	634,722	2.2%	-2.0%



Weekly Hog Price Recap

Cash hogs reported good strength midweek which helped regional and national cash values improve from a week earlier, despite lessened values reported Monday and Friday. Packer cash bid volume was considered moderate overall excluding with strong levels reported Tuesday. CME cash also improved, however rose daily and day-to-day moves were more moderate. Wholesale pork values were mixed overall with stronger loins, hams and bellies pulling pork cutout \$1.72/cwt higher from a week earlier.

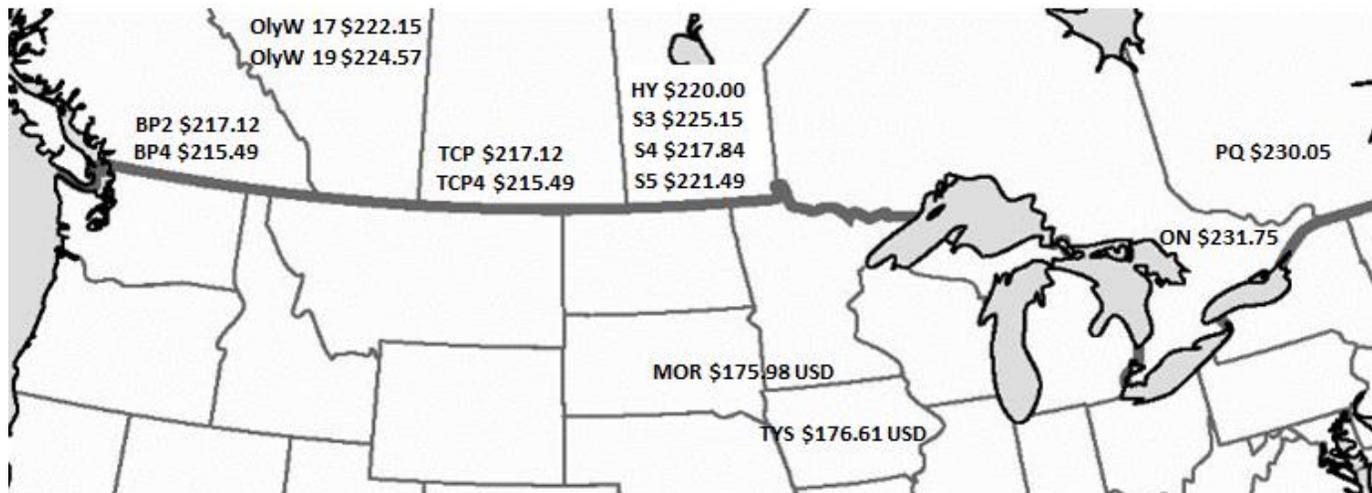
Cash Price	Weekly Averages		w/w	% Chg
	17-May-19	10-May-19		
ISM pm	\$83.32	\$80.97	\$2.35	2.9%
WCB pm	\$82.92	\$80.75	\$2.17	2.7%
Nat pm	\$81.38	\$79.64	\$1.74	2.2%
CME Index*	\$83.76	\$82.74	\$1.02	1.2%
BoC Exch	1.3457	1.3460	-0.0003	-0.0%

* Represents Friday-Thursday average

Monitored Canadian markets generally rose \$1-\$4 per hog, with those based off regional and national cash on the higher end of that range. The Sig 5 rose the most rising \$4/hog, carried higher by the \$6.50/hog surge on the Sig 3. OlyW 17 & 19 as well as values out of Ontario were each up near \$3.50/hog, while those based off 201-derived base pricing were \$1-\$2/hog higher. Pricing out of TCP/BP which is based on a 1-week lag saw values decline modestly with the BP2 down \$0.50/hog while the BP4 edged \$0.25/hog. In the US, Tyson values up \$1/hog while those out of JM rose \$4.50/hog.

Regional Pricing, \$/hog								
Packer/Region	Difference		2019 YTD	Difference		Last 13 weeks	Difference	
	3 Year	to OlyW '19		Difference to OlyW '19	Difference to OlyW '19		Ending 17-May-19	Difference to OlyW '19
OlyW 2019	\$174.85		\$174.92		\$187.36		\$224.57	
OlyW 2017	\$172.32	-\$2.52	\$173.29	-\$1.63	\$187.06	-\$0.30	\$222.15	-\$2.42
ML Sig 3	\$164.49	-\$10.35	\$165.96	-\$8.96	\$182.39	-\$4.97	\$225.15	\$0.58
ML Sig 4	\$175.59	\$0.74	\$174.41	-\$0.51	\$185.07	-\$2.29	\$217.84	-\$6.74
ML Sig 5	\$170.06	-\$4.79	\$170.18	-\$4.74	\$183.73	-\$3.63	\$221.49	-\$3.08
BP2/TCP **	\$168.37	-\$6.48	\$165.70	-\$9.22	\$177.32	-\$10.04	\$217.12	-\$7.45
BP4/TCP4 **	\$174.54	-\$0.31	\$170.34	-\$4.58	\$179.25	-\$8.11	\$215.49	-\$9.08
Hylife	\$176.68	\$1.83	\$176.04	\$1.12	\$187.21	-\$0.15	\$220.00	-\$4.57
Ontario	\$180.89	\$6.04	\$179.85	\$4.93	\$193.16	\$5.80	\$231.75	\$7.17
Québec	\$180.83	\$5.98	\$177.77	\$2.85	\$190.32	\$2.96	\$230.05	\$5.48
Tyson (USD)	\$139.64	-\$35.21	\$136.13	-\$38.79	\$147.27	-\$40.10	\$176.61	-\$47.96
John Morrell (USD)	\$132.92	-\$41.92	\$131.75	-\$43.17	\$144.70	-\$42.66	\$175.98	-\$48.60

**Thunder Creek reported with a 1-Week lag



Weekly Hog Margins

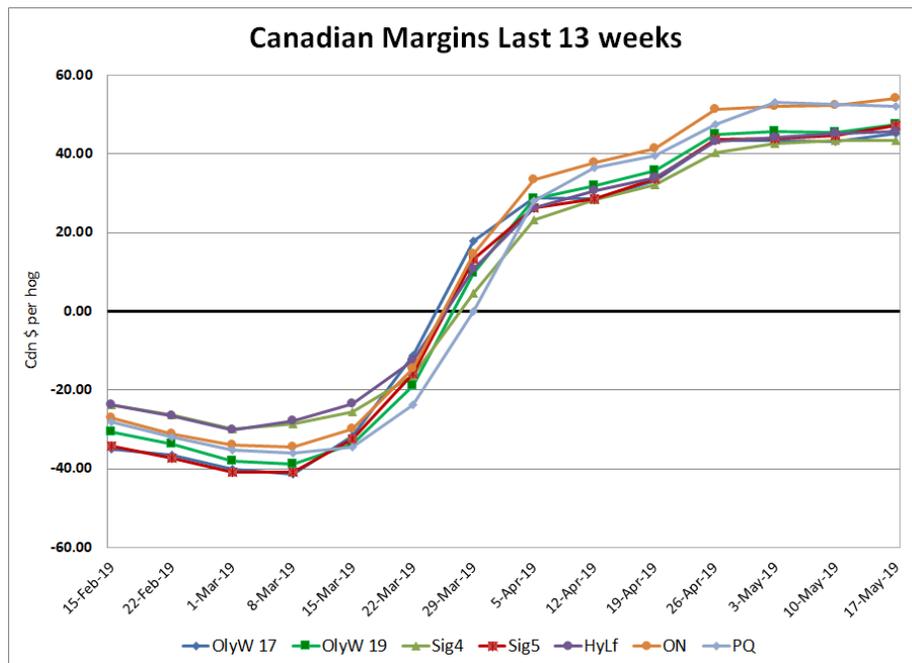
Hog margins improved on better cash however gains were tempered by a rise in feed costs. Farrow-to-finish feed costs rose between \$1.25 to \$1.50/hog on either side of the border in Canadian and US monitored regions.

Calculated hog margins were most improved out of the Sig 5, up \$2.50/hog. Margins out of the OlyW 17, 19 and Ontario which were each \$2/hog stronger while those out of Hylife and the Sig 4 were only modestly improved. In the US, Tyson margins bettered \$0.25/hog while JM margins were calculated \$3/hog higher.

Regional MARGINS, \$/hog						
Packer/Region	17-May-19	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 17/Alberta	\$222.15	\$117.56	\$39.45	\$20.05	\$177.06	\$45.09
OlyW 19/Alberta	\$224.57	\$117.56	\$39.45	\$20.05	\$177.06	\$47.51
ML Sig 4/Manitoba	\$217.84	\$115.30	\$39.54	\$19.55	\$174.39	\$43.45
ML Sig 5/Manitoba	\$221.49	\$115.30	\$39.54	\$19.55	\$174.39	\$47.10
Hylife/Manitoba	\$220.00	\$115.31	\$39.54	\$19.55	\$174.40	\$45.60
Ontario	\$231.75	\$113.24	\$40.71	\$23.76	\$177.71	\$54.04
Québec	\$230.05	\$115.93	\$40.50	\$21.65	\$178.08	\$51.97
Tyson (USD)/Iowa	\$176.61	\$80.18	\$28.70	\$16.57	\$125.45	\$51.16
John Morrell (USD)/ND	\$175.98	\$78.27	\$28.70	\$16.57	\$123.54	\$52.44

* Feed costs standardized for a 285 pound market hog

US Regional Margins – Tyson \$ 51.16 USD X 1.3457 = \$ 68.85 in Canadian Dollars
 Morrell \$ 52.44 USD X 1.3457 = \$ 70.57 in Canadian Dollars



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