



Weekly Regional HOG PRICE Report



June 21, 2019

Things to Consider....

The latest ASF report released by OIE, the World Organization for Animal Health, reported total losses for the latest period of May 24th to June 6th at 20,177 dead or culled animals due to the virus. With the addition of 163 new ASF outbreaks, compared to 2,607 on the previous report, 4,059 are considered ongoing globally which brings the total 87 cases higher than the previous reported period.

European countries reported losses at 10,515 and represented the greatest growing number compared to other regions on the report. Poland accounted for 92% of the tally for Europe, with much of the rise attributed to Poland's 3rd commercial outbreak reported for 2019. This was likely the largest farm affected by ASF in the country since their first outbreak in 2014.

Swine losses due to ASF in Asia reported losses of 9,637 with Vietnam and Hong Kong accounting for most of this figure. Vietnam reported a total of 47 new ASF outbreaks for the reported period. Since Vietnam's first outbreak of ASF, the country is said to have culled more than 2.5 million pigs. Given that three quarters of the meat consumed in the country is pork, Vietnam stated it would mobilize forces to help combat the outbreaks to protect the country's 30 million farmed swine consumed domestically.

North Korea reported their first ASF outbreak at the end of May, with the farm losing 78% of their animals (77 in total) near the Chinese border.

South Korea increased quarantine methods to halt the virus from entering the republic. Measures taken include farm testing as well as daily inspections on-farm and off-site and monitoring the wild boar population. Additionally, South Korea has begun to build fences with plans for more to come to keep the wild boar population from reaching farms, as well as issuing steep civilian fines for bringing foreign processed pork products into the country.

Africa reported 25 dead or culled animals due to ASF with a new outbreak in Gauteng.

Despite news of a lack of export demand which has been pressuring the hog complex, total weekly export sales and volume are well over year ago levels with expectations for this trend to continue or improve later in 2019. The market however will need solid confirmation of not only export sales but export volumes to bolster a recovery in the market during the second half of the year. Producers should be patient for another opportunity to add to protection.

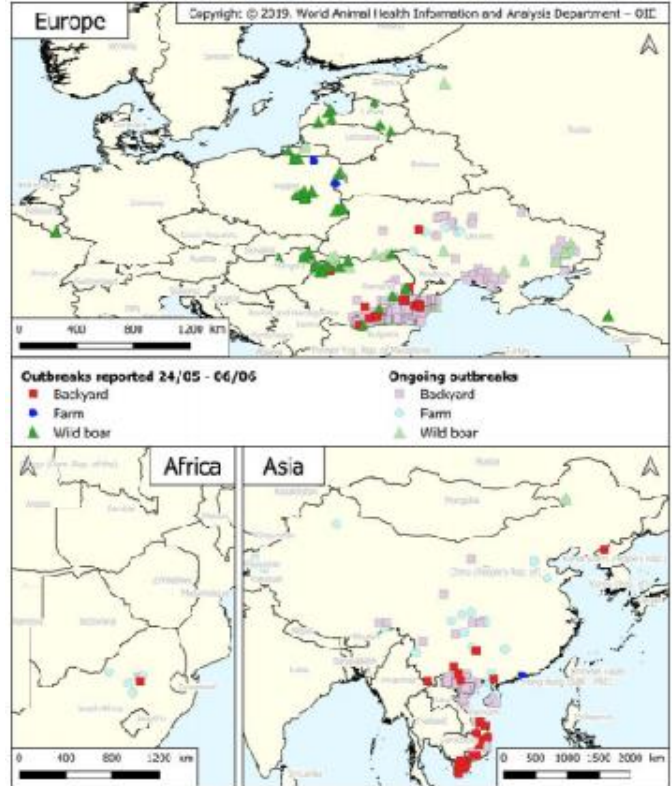
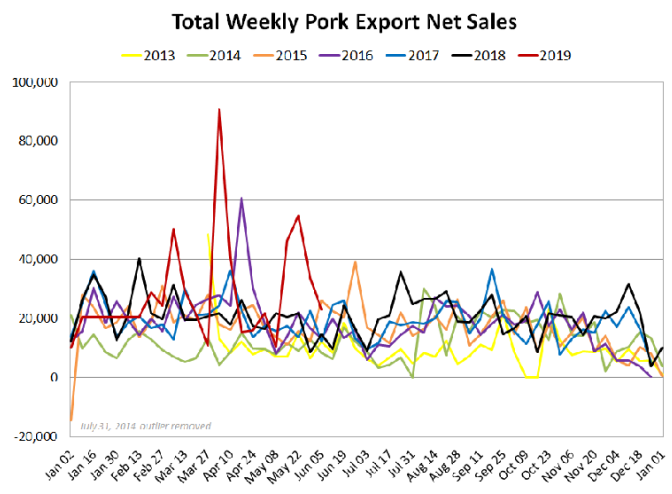


Figure 1. ASF outbreaks reported through the EWS within the period. The outbreaks notified between May 24 and June 06 are pointed with a higher color intensity compared to the ongoing outbreaks (lighter colors).



Weekly Hog Price Recap

Cash hogs fell modestly as gains reported Wednesday were not enough to offset daily weakness the remainder of the week. Monitored cash markets were generally \$0.30/cwt lower from last week. CME cash by comparison weakened \$1/cwt. Pork cutout declined \$0.28/cwt as improved values for ribs and picnics were eroded by declines in other primals.

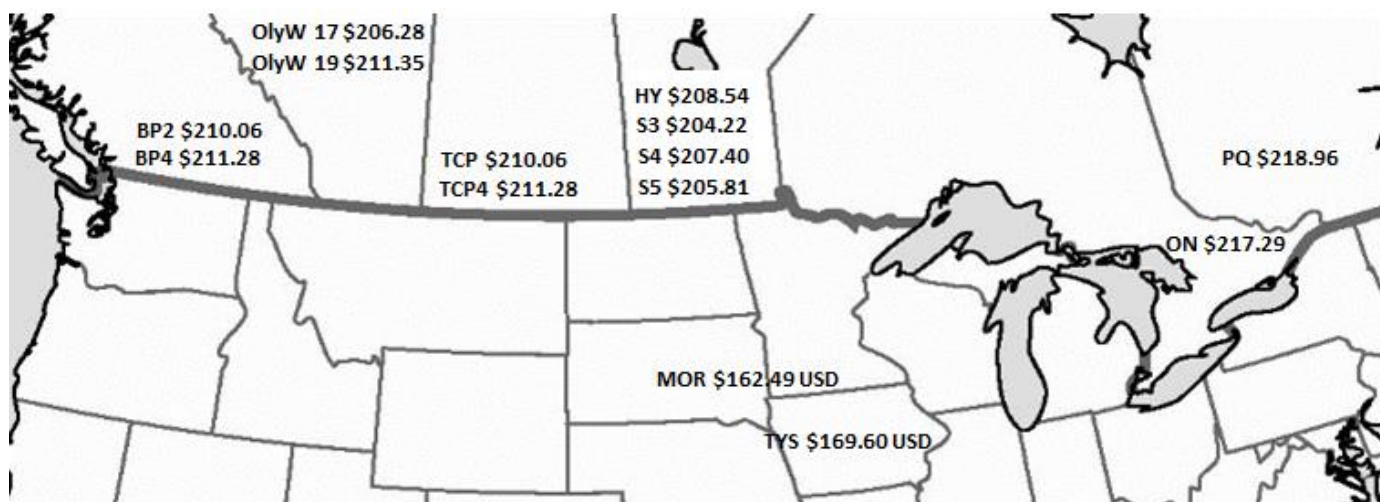
Cash Price	Weekly Averages		w/w	% Chg
	14-Jun-19	7-Jun-19		
ISM pm	\$76.39	\$76.77	-\$0.39	-0.5%
WCB pm	\$76.10	\$76.44	-\$0.33	-0.4%
Nat pm	\$75.63	\$75.97	-\$0.34	-0.5%
CME Index*	\$79.64	\$80.74	-\$1.10	-1.4%
BoC Exch	1.3311	1.3389	-0.0078	-0.6%

* Represents Friday-Thursday average

Hog markets declined another week with Canadian markets \$4.50-\$6/hog weaker than the week before last. Pricing out of the OlyW17 as well as Quebec declined the most, each near \$6/hog lower. Remaining monitored Canadian markets were \$4.50-\$5/hog under levels from a week earlier. In the US, Tyson values were more than \$4/hog weaker while those out of JM were down more modestly - \$0.50/hog lower.

Regional Pricing, \$/hog								
Packer/Region	Difference		2019 YTD	Difference		Last 13 weeks	Ending 14-Jun-19	Difference
	3 Year	to OlyW '19		to OlyW '19	to OlyW '19			
OlyW 2019	\$175.62		\$182.24		\$211.17		\$211.35	
OlyW 2017	\$172.92	-\$2.70	\$180.21	-\$2.03	\$210.05	-\$1.12	\$206.28	-\$5.07
ML Sig 3	\$165.10	-\$10.52	\$173.56	-\$8.67	\$208.51	-\$2.66	\$204.22	-\$7.13
ML Sig 4	\$176.32	\$0.71	\$181.04	-\$1.19	\$205.70	-\$5.47	\$207.40	-\$3.95
ML Sig 5	\$170.72	-\$4.89	\$177.30	-\$4.93	\$207.10	-\$4.06	\$205.81	-\$5.54
BP2/TCP **	\$169.26	-\$6.35	\$174.18	-\$8.06	\$202.00	-\$9.17	\$210.06	-\$1.29
BP4/TCP4 **	\$175.50	-\$0.11	\$177.96	-\$4.27	\$200.50	-\$10.67	\$211.28	-\$0.07
Hylife	\$177.39	\$1.77	\$182.61	\$0.37	\$208.01	-\$3.16	\$208.54	-\$2.81
Ontario	\$181.62	\$6.01	\$187.36	\$5.12	\$217.52	\$6.35	\$217.29	\$5.94
Québec	\$181.70	\$6.08	\$185.98	\$3.74	\$215.56	\$4.39	\$218.96	\$7.61
Tyson (USD)	\$140.06	-\$35.56	\$142.18	-\$40.06	\$166.54	-\$44.62	\$165.79	-\$45.56
John Morrell (USD)	\$133.18	-\$42.44	\$137.30	-\$44.94	\$164.12	-\$47.04	\$161.80	-\$49.56

**Thunder Creek reported with a 1-Week lag



Weekly Hog Margins

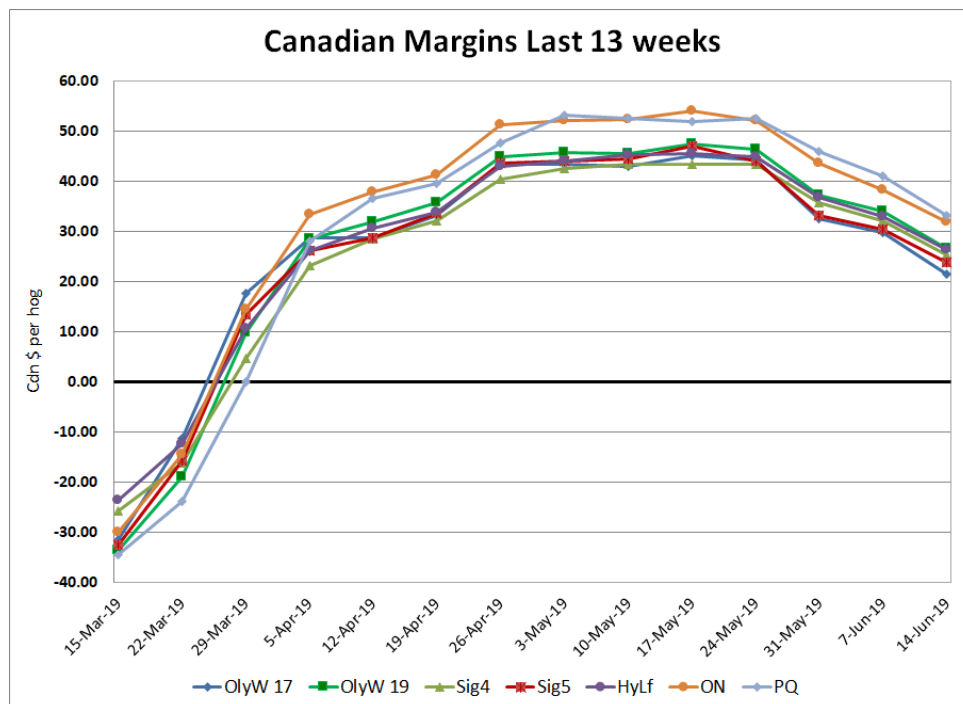
Hog margins continue their slide on weakening cash hog pricing and stronger feed values. Farrow-to-finish feed costs increased near \$2/hog on either side of the border in monitored regions.

Hog margins overall were \$8 to \$6.50/hog weaker, with those out of OlyW17 and Quebec declining near \$8/hog. Margins out of the OlyW19 were \$7.50/hog lower while remaining Canadian margins were \$6.50-\$7/hog weaker. In the US, Tyson margins weakened shy of \$6/hog while JM margins were near \$3/hog lower.

Regional MARGINS, \$/hog						
Packer/Region	14-Jun-19	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 17/Alberta	\$206.28	\$125.27	\$39.45	\$20.05	\$184.77	\$21.51
OlyW 19/Alberta	\$211.35	\$125.27	\$39.45	\$20.05	\$184.77	\$26.58
ML Sig 4/Manitoba	\$207.40	\$123.01	\$39.54	\$19.55	\$182.10	\$25.30
ML Sig 5/Manitoba	\$205.81	\$123.01	\$39.54	\$19.55	\$182.10	\$23.71
Hylife/Manitoba	\$208.54	\$123.02	\$39.54	\$19.55	\$182.11	\$26.43
Ontario	\$217.29	\$120.95	\$40.71	\$23.76	\$185.42	\$31.87
Québec	\$218.96	\$123.64	\$40.50	\$21.65	\$185.79	\$33.17
Tyson (USD)/Iowa	\$165.79	\$86.70	\$28.70	\$16.57	\$131.97	\$33.82
John Morrell (USD)/ND	\$161.80	\$84.97	\$28.70	\$16.57	\$130.24	\$31.56

* Feed costs standardized for a 285 pound market hog

US Regional Margins – Tyson \$ 33.82 USD X 1.3311 = \$ 45.02 in Canadian Dollars
 Morrell \$ 31.56 USD X 1.3311 = \$ 42.01 in Canadian Dollars



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