

## Things to Consider....

The latest ASF update by the OIE (World Organization for Animal Health) for the two week period ending February 27th reported 371 new ASF outbreaks, however resulted in a modest 814 total losses. For comparison, 411 new outbreaks and a total of 19,207 losses were reported on the previous report for the front half of February.

The previous report tallied losses primarily from the Philippines' backyard swine, while the latest report indicates losses were primarily from the European region—Romania, Russia and Ukraine. Of the 814 global ASF losses, only 6 were reported in Asia (Myanmar).

Targeted surveillance in Europe continues to keep up the outbreak count, with the majority of outbreaks found in the wild boar population. Of the 328 notified outbreaks in the region, 288 were found in feral hogs and 96 of those remain ongoing. Additionally, 41 cases in farmed swine were notified and ongoing.

The global total of ASF outbreaks at 8,837 was down from the previous reporting period, with ongoing cases remaining primarily in Vietnam and Romania.

Although ASF has dominated the headlines for nearly a year, it is no longer a headliner for media and analysts as Covid-19 became an official pandemic on Wednesday crippling the world economy.

Travel bans, advisories, cancellations of major gatherings will all have a long standing impact on overall market indicators including food consumption and food demand. As of right now the health and safety of communities and people is the priority of the World Health Organization and expectations are for the current spread of the disease to continue into the foreseeable future. Experts are working hard to slow the spread of the disease but for now we sit and wait until more information is provided.

For hog producers, the unknown impact will force many to remain on the sidelines but based on the information at hand today, negativity is expected. On a positive note however cash hog prices were higher last week and have shown signs of strength this week as well. Selling into the cash market may be the best choice of action in the near-term as more information becomes available.

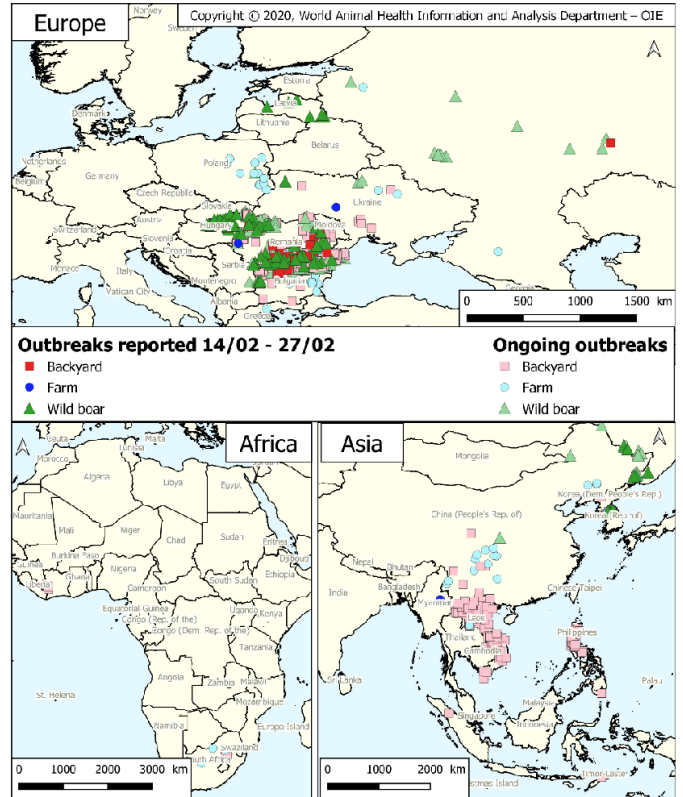
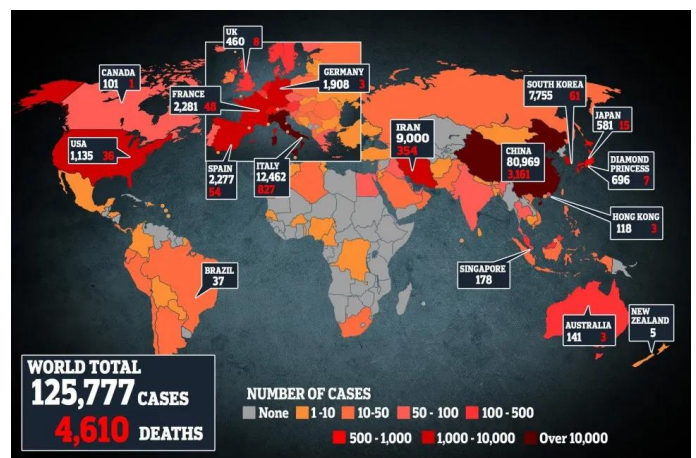


Figure 1. ASF outbreaks reported through the Early Warning system within the period. The outbreaks notified between February 14 and 27 are pointed with a higher color intensity compared to the ongoing outbreaks (lighter colors).



# Weekly Hog Price Recap

Regional and national cash hog pricing started lower Monday however improved the balance of the week to end modestly higher. CME cash by comparison improved early in the week while reporting modest declines the latter half and also finished the week higher. Overall wholesale pork values averaged above the previous week, with pork cutout up \$0.77/cwt.

Cash Price	Weekly Averages		w/w	% Chg
	28-Feb-20	21-Feb-20		
ISM pm	\$49.59	\$49.30	\$0.28	0.6%
WCB pm	\$49.55	\$49.31	\$0.24	0.5%
Nat pm	\$49.83	\$49.44	\$0.39	0.8%
CME Index*	\$56.23	\$55.76	\$0.47	0.8%
BoC Exch	1.3331	1.3242	0.0089	0.7%

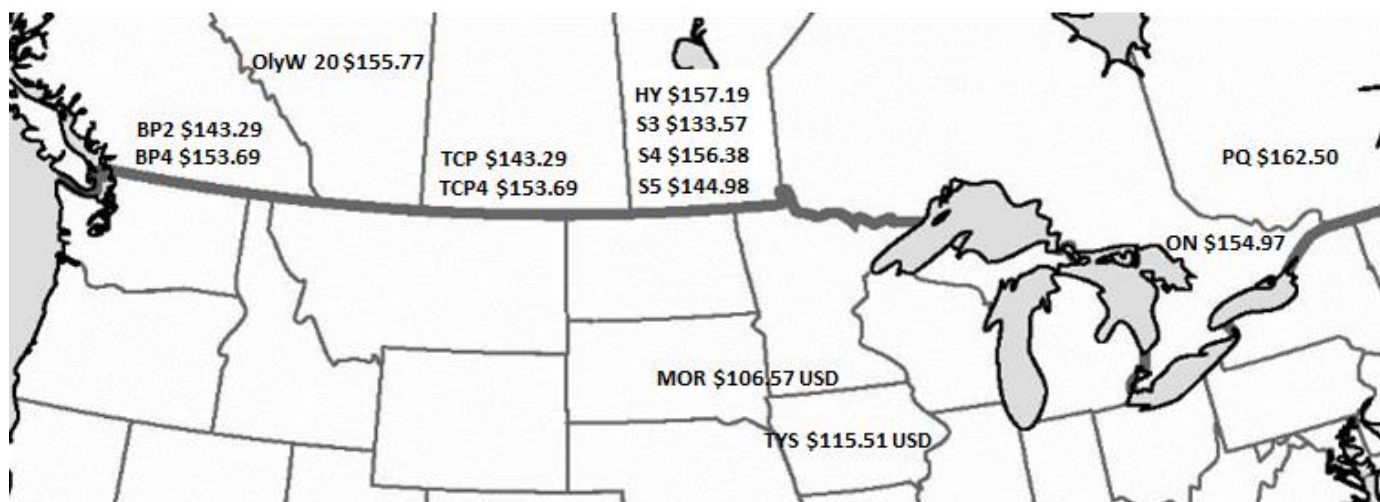
\* Represents Friday-Thursday average

Monitored Canadian hog markets were primarily stronger on the week, generally up \$1-\$2/hog, excluding the OlyW 20 which edged \$0.50/hog lower and values out of Quebec which rose more than \$4/hog. Values out of Ontario were up closer to \$2.50/hog while Hylife and the Sig 4 were up \$2/hog and the Sig 5 rose \$1.50/hog. In the US, Tyson values were generally stable while JM values increased \$0.50/hog from the previous week.

Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW20	2020 YTD	Difference to OlyW20	Last 13 weeks	Difference to OlyW20	Ending 28-Feb-20	Difference to OlyW20
OlyW 2020***	\$183.95		\$165.13		\$165.89		\$155.77	
ML Sig 3	\$163.09	-\$20.86	\$135.90	-\$29.23	\$132.82	-\$33.07	\$133.57	-\$22.21
ML Sig 4	\$177.23	-\$6.72	\$160.84	-\$4.29	\$161.58	-\$4.31	\$156.38	\$0.61
ML Sig 5	\$170.18	-\$13.77	\$148.37	-\$16.76	\$147.20	-\$18.69	\$144.98	-\$10.80
BP2/TCP **	\$170.13	-\$13.82	\$148.22	-\$16.91	\$146.48	-\$19.40	\$143.29	-\$12.48
BP4/TCP4 **	\$176.62	-\$7.33	\$160.83	-\$4.30	\$161.40	-\$4.49	\$153.69	-\$2.08
Hylife	\$178.20	-\$5.75	\$161.54	-\$3.59	\$162.22	-\$3.66	\$157.19	\$1.41
Ontario	\$181.91	-\$2.04	\$160.01	-\$5.12	\$160.25	-\$5.64	\$154.97	-\$0.80
Québec	\$185.72	\$1.77	\$175.02	\$9.89	\$181.81	\$15.92	\$162.50	\$6.73
Tyson (USD)	\$138.64	-\$45.31	\$117.34	-\$47.79	\$114.51	-\$51.37	\$115.51	-\$40.26
John Morrell (USD)	\$131.37	-\$52.58	\$109.12	-\$56.01	\$106.82	-\$59.06	\$106.57	-\$49.20

\*\*Thunder Creek reported with a 1-Week lag

\*\*\*OlyW20 was calculated using formulas for 3 years previous to provide comparisons above. Price includes \$0.06 per kg proximity bonus



# Weekly Hog Margins

Canadian hog margins were generally around \$2-\$3/hog stronger from last week to \$27 per hog losses overall. Improved market hog values were further supported by reduced feed costs, with Canadian farrow-to-finish feed costs down near \$0.75/hog and those out of the US were \$1/hog lower than the week previous.

Margins out of Quebec strengthened the most, improving \$5/hog this past week and remains the least weak compared to other monitored Canadian hog margins at \$22/hog losses. Margins out of Ontario improved more than \$3/hog however continue at weak levels, currently recording more than \$29/hog losses, with only Sig 5 margins weaker at \$36/hog losses. Hog margins out of Hylife and the Sig 4 are near \$24/hog losses, and each improved \$2.75/hog from the previous week. In the US, margins out of Tyson and JM each strengthened near \$1.50/hog from week ago levels, with Tyson recording \$14/hog losses and JM \$21/hog losses.

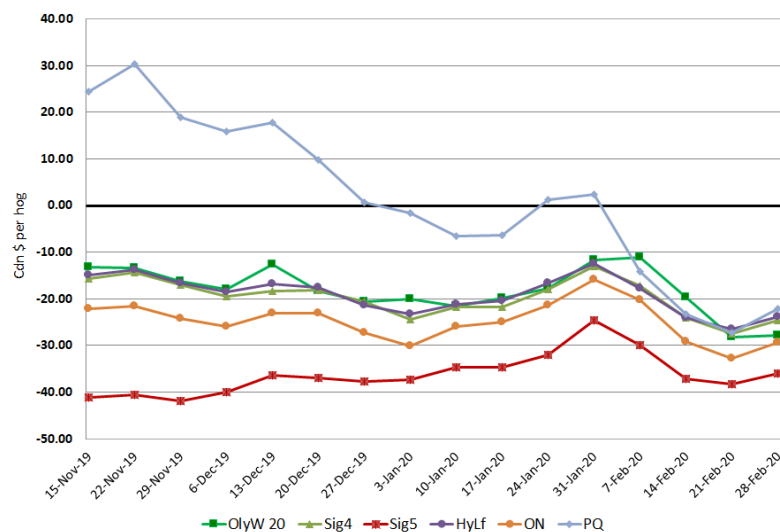
Regional MARGINS, \$/hog						
Packer/Region	28-Feb-20	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$155.77	\$124.18	\$39.45	\$20.05	\$183.68	-\$27.91
ML Sig 4/Manitoba	\$156.38	\$121.92	\$39.54	\$19.55	\$181.01	-\$24.63
ML Sig 5/Manitoba	\$144.98	\$121.92	\$39.54	\$19.55	\$181.01	-\$36.03
Hylife/Manitoba	\$157.19	\$121.93	\$39.54	\$19.55	\$181.02	-\$23.83
Ontario	\$154.97	\$119.86	\$40.71	\$23.76	\$184.33	-\$29.36
Québec	\$162.50	\$122.55	\$40.50	\$21.65	\$184.70	-\$22.20
Tyson (USD)/Iowa	\$115.51	\$84.24	\$28.70	\$16.57	\$129.51	-\$14.00
John Morrell (USD)/ND	\$106.57	\$82.51	\$28.70	\$16.57	\$127.78	-\$21.21

\* Feed costs standardized for a 285 pound market hog

## US Regional Margins

- Tyson: \$ (14.00) USD X 1.3331 = \$ (18.66) in Canadian Dollars
- Morrell \$ (22.21) USD X 1.3331 = \$ (29.61) in Canadian Dollars

Canadian Margins Last 13 weeks



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