



Weekly Regional HOG PRICE Report



August 18, 2020

Things to Consider....

Pork values have continued to remain constant since early June and have managed slight increases to near \$75 US per cwt, above levels reported in 2018 and similar to values in 2016. Overall, retail cuts continue to trade higher than year ago levels however cutout values remain below year ago levels with the exception of ribs.

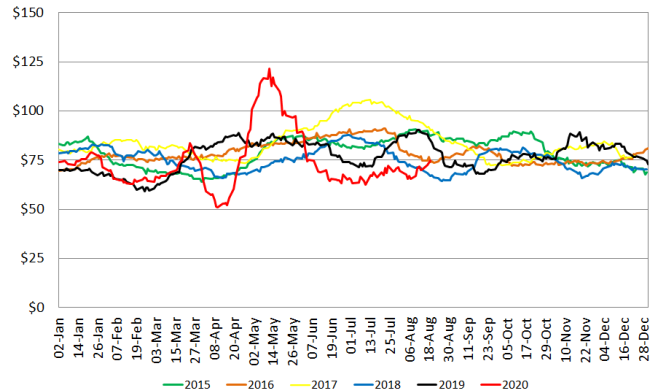
Retail bacon prices were stable at \$5.78/lb for June, bringing the cut 1.3% or 8 cents over last year. Current retail bacon price levels are 123 cents over the 3 year average for the month of July. Wholesale belly prices by comparison increased \$0.73 to \$97.32/cwt for July or +0.8% from the previous month. Compared to last year, wholesale bellies are \$18.74/cwt or -16.1% under year ago levels.

Overall, retail chop prices were down 28 cents or -6.7% for July at \$3.91/lb, bringing chops 50 cents or +14.6% over last year. Current retail price levels are 55 cents over the 3 year average for the month of July. Boneless chop prices dropped 33 cents to \$4.36/lb, bringing boneless chops +13.7% or \$0.53 over last year. Bone-in chop prices fell 19 cents to \$4.35/lb, bringing the cut +7.7% or 31 cents over last year. Wholesale loins for the month dropped \$9.58 to \$67.16/cwt or -12.5% under the previous month, and -10.8% or \$8.17/cwt under last year.

The category reporting total retail ham values went unreported again on the latest report, unreported from April through July. Boneless ham values edged 3 cents lower or -0.7% to \$4.57/lb, bringing them +7.9% or 34 cents over last year. Wholesale ham prices averaged \$59.02/cwt, up \$11.91 or 25.3% from June, and brought July \$9.51/cwt or -13.9% under year ago levels. For comparison wholesale picnics averaged 44.57 per cwt, down \$4.49 or -9.2% under June and \$9.72 per cwt or -17.9% under last year.

The category reporting other retail pork prices edged 5 cents or -1.7% lower to \$3.10/lb, with the category +13.9% or 38 cents over year ago levels. Current retail price levels are 47 cents over the 3 year average for the month of July.

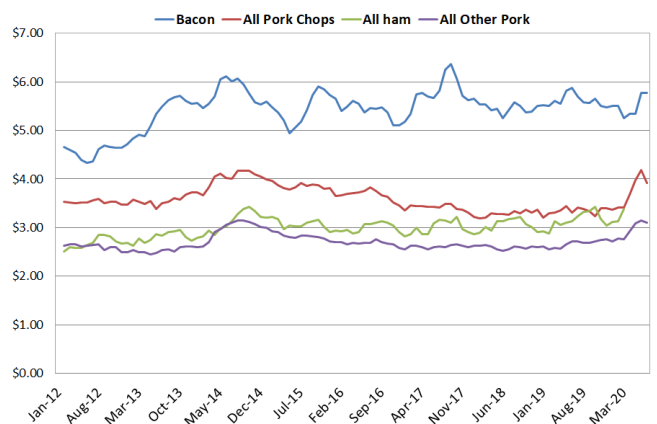
USDA Cutout US\$/cwt



US Retail Pork Price, US\$/lb							
	Jul-19	Jun-20	Jul-20	m/m	y/y		
Bacon	\$5.70	\$5.77	\$5.78	\$0.00	0.1%	\$0.08	1.3%
All Pork Chops	\$3.41	\$4.19	\$3.91	-\$0.28	-6.7%	\$0.50	14.6%
<i>chops, center cut, bone in</i>	\$4.04	\$4.54	\$4.35	-\$0.19	-4.2%	\$0.31	7.7%
<i>chops, boneless</i>	\$3.83	\$4.69	\$4.36	-\$0.33	-7.1%	\$0.53	13.7%
All ham	\$3.24						
<i>Hams, boneless uncanned</i>	\$4.24	\$4.61	\$4.57	-\$0.03	-0.7%	\$0.34	7.9%
All Other Pork	\$2.72	\$3.15	\$3.10	-\$0.05	-1.7%	\$0.38	13.9%

National Pork (MPR) Primal Values							
	Jul-19	Jun-20	Jul-20	m/m	y/y		
Cutout	77.37	68.47	67.87	-\$0.60	-0.9%	-\$9.50	-12.3%
Loin	75.32	76.74	67.16	-\$9.58	-12.5%	-\$8.17	-10.8%
Butt	91.24	72.71	71.18	-\$1.53	-2.1%	-\$20.06	-22.0%
Picnic	54.29	49.06	44.57	-\$4.49	-9.2%	-\$9.72	-17.9%
Rib	103.90	132.77	117.30	-\$15.48	-11.7%	\$13.40	12.9%
Ham	68.53	47.11	59.02	\$11.91	25.3%	-\$9.51	-13.9%
Belly	116.07	96.59	97.32	\$0.73	0.8%	-\$18.74	-16.1%

Monthly US Retail Pork Cuts, \$/lb



Weekly Hog Price Recap

Regional and national cash hogs declined from last week with primary weakness reported Tuesday, and regional cash went unreported Wednesday & Thursday. CME cash improved most days, with stronger gains early-week. Wholesale pork primal values improved over week ago levels, excluding picnics, which helped pork cutout finish the week \$3.91/cwt higher.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	14-Aug-20	Head	7-Aug-20		
ISM pm		\$37.63		\$38.54	-\$0.91	-2.4%
WCB pm		\$37.58		\$38.52	-\$0.93	-2.4%
Nat pm		\$37.73		\$38.73	-\$1.00	-2.6%
CME Index*		\$53.59		\$52.81	\$0.78	1.5%
Sows, 300-449lbs	10,899	\$18.04	13,017	\$17.52	\$0.52	3.0%
Sows, 500+ lbs	12,423	\$24.89	12,983	\$24.81	\$0.08	0.3%
BoC Exch		1.3273		1.3326	-0.0053	-0.4%

* Represents Friday-Thursday average

Monitored Canadian hog markets varied from as much as \$10.50/hog higher to \$4.50/hog lower. Hog values out of Quebec improved the most, followed by those out of Hylife which rose more than \$6.50/hog and Ontario up \$2/hog. The ML Sig 4 was generally stable, down modestly, while the 1-week lagged OlyW 20 fell nearly \$4.50/hog. In the US, values out of Tyson fell \$4.25/hog while JM declined \$2/hog from week ago levels.

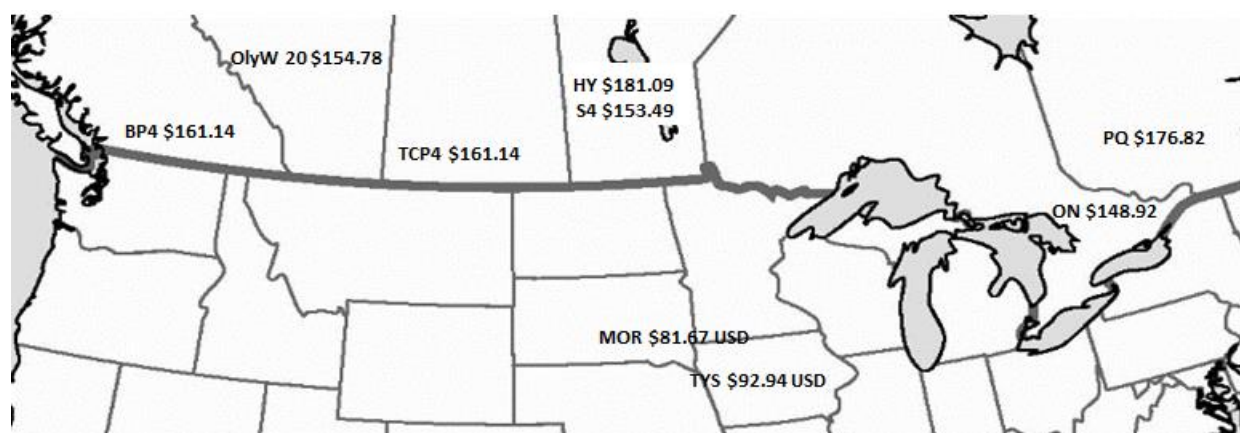
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW20	2020 YTD	Difference to OlyW20	Last 13 weeks	Difference to OlyW20	Ending 14-Aug-20	Difference to OlyW20
OlyW 17/19/20*	\$172.24		\$169.04		\$161.63		\$154.78	
ML Sig 4	\$177.55	\$5.30	\$165.28	-\$3.76	\$156.65	-\$4.99	\$153.49	-\$1.29
BP4/TCP4 **	\$179.36	\$7.12	\$169.33	\$0.29	\$168.96	\$7.33	\$161.14	\$6.36
Hylife	\$183.16	\$10.91	\$175.65	\$6.61	\$184.07	\$22.44	\$181.09	\$26.31
Ontario***	\$176.29	\$4.05	\$157.69	-\$11.34	\$146.28	-\$15.35	\$148.92	-\$5.86
Québec	\$183.73	\$11.48	\$186.06	\$17.02	\$183.36	\$21.73	\$176.82	\$22.04
Tyson (USD)	\$129.49	-\$42.76	\$100.24	-\$68.79	\$83.14	-\$78.49	\$92.94	-\$61.83
John Morrell (USD)	\$121.52	-\$50.72	\$90.41	-\$78.63	\$74.08	-\$87.56	\$81.67	-\$73.10

*3 Year average uses actual OlyW'17, OlyW'19 and OlyW'20 for respective weeks. Starting Jan 2020 prices includes \$0.06 per kg proximity bonus

**Thunder Creek reported with a 1-Week lag

*** Ontario pricing does not include any pork or cutout based formulas for market hogs

To Note: OlyW and BP4 are nearly a full 1 week lag to Sig 4, Hylife, Ontario & Quebec



Weekly Hog Margins

Canadian hog margins were mixed to end the week on lower cash hog values and an increase in feed costs. Canadian farrow-to-finish feed costs rose \$1.40/hog while those in the monitored US region were up \$1.20/hog from the previous week.

Hog margins out of Hylife and once again Quebec calculated positive margins, with Hylife \$5.25/hog higher to \$11.25/hog profits while Ontario improved more than \$9/hog to \$3.25/hog profits. Margins off the Sig 4 declined \$1.50/hog to \$16.25/hog losses and the OlyW 20 weakened \$5.75/hog to \$17.75/hog losses, while Ontario strengthened 0.70/hog to \$24.25/hog losses. In the US, Tyson margins weakened near \$5/hog to \$29.50/hog losses while JM margins fell \$3/hog to \$39/hog losses from a week earlier.

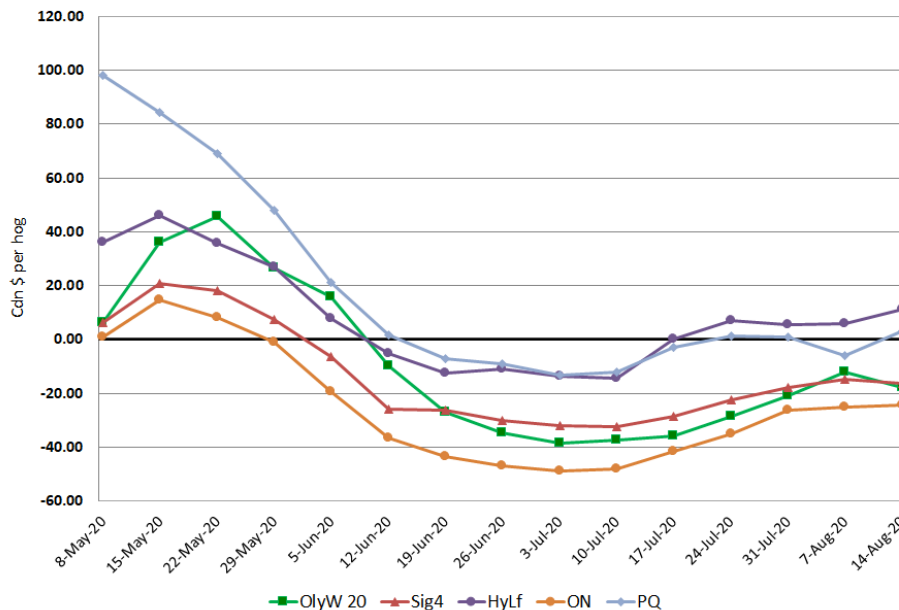
Regional MARGINS, \$/hog						
Packer/Region	14-Aug-20	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$154.78	\$113.04	\$39.45	\$20.05	\$172.54	-\$17.76
ML Sig 4/Manitoba	\$153.49	\$110.78	\$39.54	\$19.55	\$169.87	-\$16.38
Hylife/Manitoba	\$181.09	\$110.79	\$39.54	\$19.55	\$169.88	\$11.21
Ontario	\$148.92	\$108.72	\$40.71	\$23.76	\$173.19	-\$24.27
Québec	\$176.82	\$111.41	\$40.50	\$21.65	\$173.56	\$3.26
Tyson (USD)/Iowa	\$92.94	\$77.24	\$28.70	\$16.57	\$122.51	-\$29.57
John Morrell (USD)/ND	\$81.67	\$75.51	\$28.70	\$16.57	\$120.78	-\$39.11

* Feed costs standardized for a 285 pound market hog

US Regional Margins

- Tyson: \$ (29.57) USD X 1.3273 = \$ (39.25) in Canadian Dollars
- Morrell \$ (39.11) USD X 1.3273 = \$ (51.91) in Canadian Dollars

Canadian Margins Last 13 weeks



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