



Weekly Regional HOG PRICE Report

November 17, 2020

Things to Consider....

Retail bacon prices climbed 10 cents higher to \$5.72/lb for October, bringing retail values +1.2% or 7 cents over year ago levels. Current retail bacon price levels are only 3 cents over the 3 year average for the month of October.

Wholesale belly prices by comparison increased \$18.87 to \$156.94/cwt for October, a 13.7% increase from the month of September. Compared to last year, wholesale bellies are \$31.05/cwt or +24.7% over October 2019.

Overall, retail chop prices declined 17 cents or -4.4% for October to \$3.63/lb, bringing chops 39 cents or +12.2% over last year. Current retail price levels are 30 cents over the 3 year average for the month of October. Boneless chop prices fell 23 cents to \$4.14/lb, bringing boneless chops +11.4% or \$0.42 over last year. Bone-in chop prices fell 12 cents to \$3.95/lb, bringing the cut +4.6% or 17 cents over last year.

Wholesale loins increased \$10.50 to \$84.27/cwt or +14.2% over the previous month, and +21.4% or \$17.67/cwt over last year.

The category reporting total retail ham values was reported for the first time since March, reaching a historical high at \$3.48/lb for October which is 5 cents or +1.3% over last year and 23 cents over the 3-year average. Boneless ham values edged 2 cents higher or +0.5% to \$4.56/lb, bringing them +2.1% or 9 cents over last year.

Wholesale ham prices averaged \$82.84/cwt, up \$3.86 or +4.9% from September, and brought hams \$19.71/cwt or +31.2% over year ago levels. For comparison wholesale picnics averaged \$64.16/cwt, up \$7.09 or +12.4% from September and \$7.37/cwt or +13.0% over last year.

The category reporting other retail pork prices rose 10 cents or +3.4% to \$2.99/lb, with the category +10.1% or 27 cents over year ago levels. Current retail price levels are 34 cents over the 3 year average for the month of October.

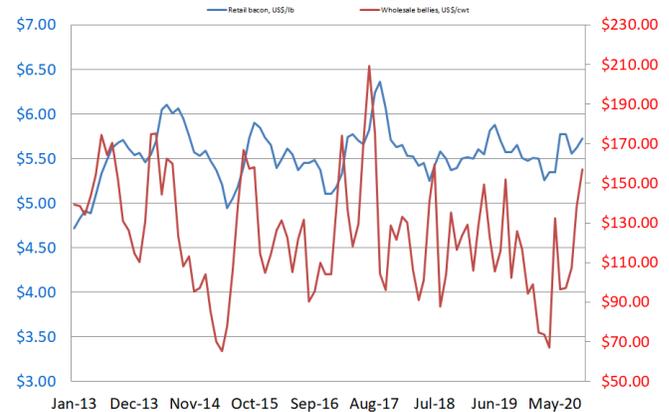
US Retail Pork Price, US\$/lb							
	Oct-19	Sep-20	Oct-20	m/m		y/y	
Bacon	\$5.65	\$5.62	\$5.72	\$0.10	1.8%	\$0.07	1.2%
All Pork Chops	\$3.24	\$3.80	\$3.63	-\$0.17	-4.4%	\$0.39	12.2%
chops, center cut, bone in	\$3.77	\$4.07	\$3.95	-\$0.12	-2.9%	\$0.17	4.6%
chops, boneless	\$3.72	\$4.37	\$4.14	-\$0.23	-5.3%	\$0.42	11.4%
All ham	\$3.43		\$3.48			\$0.05	1.3%
Hams, boneless uncanned	\$4.46	\$4.54	\$4.56	\$0.02	0.5%	\$0.09	2.1%
All Other Pork	\$2.72	\$2.89	\$2.99	\$0.10	3.4%	\$0.27	10.1%

National Pork (MPR) Primal Values							
	Oct-19	Sep-20	Oct-20	m/m		y/y	
Cutout	76.42	84.77	94.09	\$9.32	11.0%	\$17.67	23.1%
Loin	69.40	73.76	84.27	\$10.50	14.2%	\$14.87	21.4%
Butt	84.99	81.83	88.62	\$6.79	8.3%	\$3.63	4.3%
Picnic	56.79	57.07	64.16	\$7.09	12.4%	\$7.37	13.0%
Rib	118.15	128.79	145.15	\$16.36	12.7%	\$27.00	22.9%
Ham	63.13	78.98	82.84	\$3.86	4.9%	\$19.71	31.2%
Belly	125.89	138.07	156.94	\$18.87	13.7%	\$31.05	24.7%

Monthly US Retail Pork Cuts, \$/lb



Retail Bacon VS Wholesale Bellies



Weekly Hog Price Recap

Regional and national cash generally declined however did report gains early in the week. CME cash improved for much of the week with some weakness the latter half, particularly Friday. Wholesale pork values varied however week-over-week declines in bellies, hams and loins weighed pork cutout \$0.99/cwt under the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	13-Nov-20	Head	6-Nov-20		
ISM pm		\$60.14		\$60.72	-\$0.58	-1.0%
WCB pm		\$59.91		\$60.74	-\$0.82	-1.4%
Nat pm		\$60.42		\$60.57	-\$0.15	-0.2%
CME Index*		\$71.18		\$72.21	-\$1.03	-1.4%
Sows, 300-449lbs	11,658	\$37.32	12,539	\$32.78	\$4.54	13.9%
Sows, 500+ lbs	10,300	\$45.34	13,332	\$41.59	\$3.74	9.0%
BoC Exch		1.3064		1.3126	-0.0062	-0.5%

* Represents Friday-Thursday average

Canadian hog markets fell again this past week on continued declines in hog and pork prices. BP/TC and the OlyW 20 each dropped near \$11/hog, followed by the OlyW 21 which declined closer to \$9.50/hog from the previous week. Hylife fell nearly \$5/hog while the Sig 4 declined \$4.50/hog and eastern markets such as Ontario and Quebec were down \$3/hog. US hog values also fell with Tyson and JM values each down nearly \$1.75/hog from week ago levels.

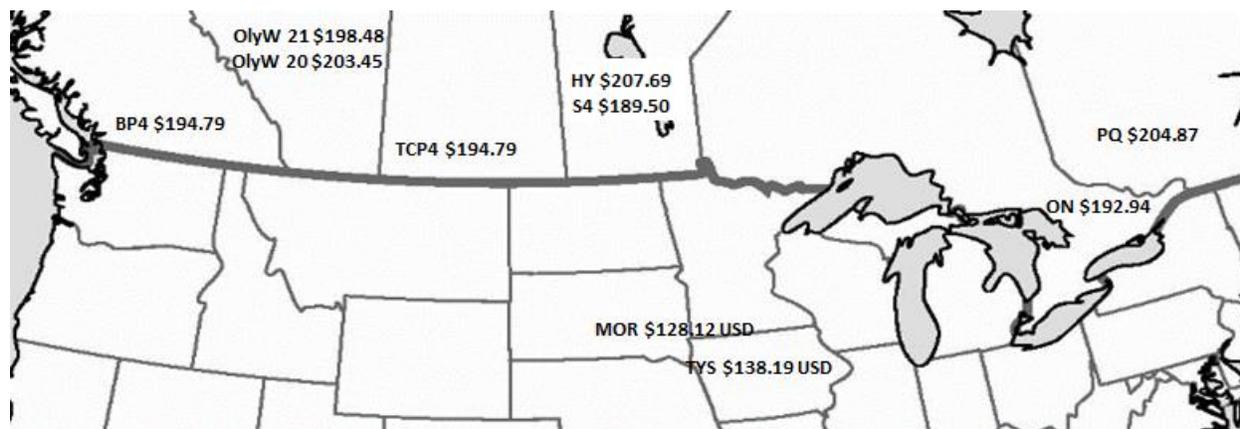
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW20	2020 YTD	Difference to OlyW20	Last 13 weeks	Difference to OlyW20	Ending 13-Nov-20	Difference to OlyW20
OlyW 17/19/20*	\$173.77		\$177.25		\$196.86		\$203.45	
OlyW 2021	\$183.84	\$10.07	\$183.54	\$6.29	\$197.53	\$0.67	\$198.48	-\$4.97
ML Sig 4	\$177.32	\$3.55	\$171.73	-\$5.52	\$187.16	-\$9.69	\$189.50	-\$13.95
BP4/TCP4 **	\$178.45	\$4.68	\$174.41	-\$2.84	\$186.14	-\$10.72	\$194.79	-\$8.66
Hylife	\$183.77	\$10.00	\$183.53	\$6.28	\$214.80	\$17.94	\$207.69	\$4.23
Ontario***	\$176.20	\$2.43	\$167.24	-\$10.01	\$190.25	-\$6.60	\$192.94	-\$10.51
Québec	\$185.19	\$11.41	\$193.44	\$16.19	\$210.54	\$13.68	\$204.87	\$1.42
Tyson (USD)	\$127.58	-\$46.19	\$108.14	-\$69.11	\$128.12	-\$68.74	\$138.19	-\$65.26
John Morrell (USD)	\$120.02	-\$53.75	\$99.40	-\$77.85	\$122.28	-\$74.58	\$128.12	-\$75.33

*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

Monitored hog margins reported significant weakness this past week amid falling hog values and rising feed costs. Canadian farrow-to-finish feed costs jumped nearly \$3.50/hog higher while those in the monitored US region were up more than \$2.50/hog.

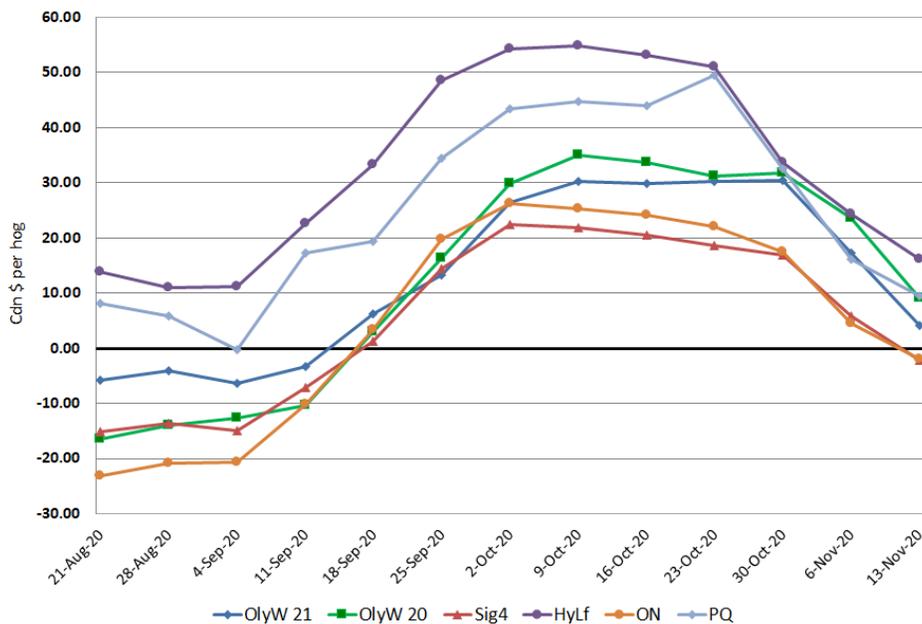
Margins out of Hylife weakened \$8.25 to \$16/hog profits and remain the strongest overall compared to other monitored markets. Hog margins out of Quebec and the OlyW 20 each ended the week at around \$9/hog profits, down \$6.50 and \$14.25/hog respectively, and the OlyW 21 weakened \$13 to \$4.25/hog profits. Margins out of the Sig 4 and Ontario slipped to negative margins at \$2/hog losses, with the Sig 4 down nearly \$8 and Ontario \$6.50 lower on the week. In the US, Tyson margins weakened \$3.75 to \$0.75/hog profits while JM margins fell more than \$4.25 to \$7.50/hog losses.

Regional MARGINS, \$/hog						
Packer/Region	13-Nov-20		Farrow to Finish		Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$203.45	\$134.78	\$39.45	\$20.05	\$194.28	\$9.17
OlyW 21/Alberta	\$183.70	\$134.78	\$39.45	\$20.05	\$194.28	-\$10.58
ML Sig 4/Manitoba	\$189.50	\$132.52	\$39.54	\$19.55	\$191.61	-\$2.11
Hylife/Manitoba	\$207.69	\$132.53	\$39.54	\$19.55	\$191.62	\$16.07
Ontario	\$192.94	\$130.46	\$40.71	\$23.76	\$194.93	-\$1.99
Québec	\$204.87	\$133.15	\$40.50	\$21.65	\$195.30	\$9.57
Tyson (USD)/Iowa	\$138.19	\$92.16	\$28.70	\$16.57	\$137.43	\$0.76
John Morrell (USD)/ND	\$128.12	\$90.43	\$28.70	\$16.57	\$135.70	-\$7.58

* Feed costs standardized for a 285 pound market hog

Tyson: \$0.76 USD x 1.3094 = \$1.00 CAD
 Morrell: \$(7.58) USD x 1.3094 = \$(9.93) CAD

Canadian Margins Last 13 weeks



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