



Weekly Regional HOG PRICE Report



Things to Consider....

The latest US pork exports released earlier this month, reported January 4.7% down from the previous month however recorded the second highest tally for the month historically, down 8.6% from last year's record high for the month.

China* & Mexico account for approximately half of the US's total monthly pork export volume. After recording the greatest increase on the previous report Mexico declined the largest volume for January, dropping 22.6 million pounds. Mainland China fell 9.9 million pounds, while Taiwan and Hong Kong also declined by roughly 1.3 million pounds each for a combined total of 12.5 million for China*.

Several other destinations for US pork also reported decreases from the levels reported for December with Japan down 1.6 million, Chile down 2.1, Colombia down 2.4, and Panama falling 5.6 million pounds.

Offsetting some of these declines overall were increases of US pork to South Korea which rose 5.9 million pounds on the month. Australia and Dominican Republic also made notable increases, up 3.9 & 3.7 million pounds, respectively.

US pork to Canada increased 2.2 million pounds for January, however for perspective Canadian pork imported to the US also rose in the same period, up 1.8 million pounds. This brings the US export-import net to -4,610 thousand pounds with Canada (refer to charts at the right).

For lean hog futures and cash markets to sustain the impressive values reported this week, exports are going to have to maintain levels like 2020. Due to reduced hog and pork supplies compared to 2020, total US pork exports are projected to decline just simply as a result of availability. Supply has a direct impact on export volume as importers look for alternatives if prices trade beyond certain thresholds. Markets currently have priced in an aggressive export projection for 2021 however if exports do begin to show signs of decline, lean hog futures will respond accordingly.

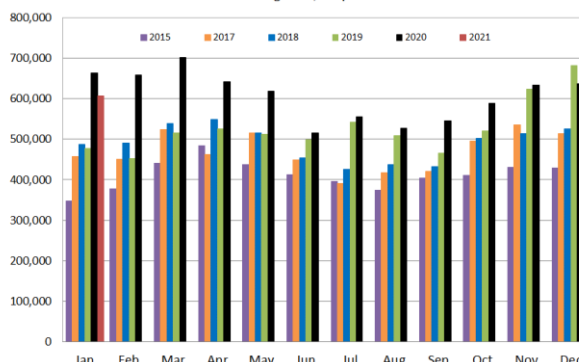
March 23, 2021

US Pork Exports		(carcass weight, 1,000 pounds)				
Top 7 Countries	Jan-20	Dec-20	Jan-21	M/M%	Y/Y%	YTD/LYTD%
Australia	32,280	17,270	21,194	22.7%	-34.3%	-34.3%
Canada	47,071	43,286	45,474	5.1%	-3.4%	-3.4%
China*	205,048	159,094	146,565	-7.9%	-28.5%	-28.5%
Colombia	18,389	21,413	19,005	-11.2%	3.3%	3.3%
Japan	98,072	102,592	100,983	-1.6%	3.0%	3.0%
Mexico	155,695	169,207	146,580	-13.4%	-5.9%	-5.9%
South Korea	49,695	44,117	50,013	13.4%	0.6%	0.6%
All US Pork Exports	663,211	636,118	605,992	-4.7%	-8.6%	-8.6%

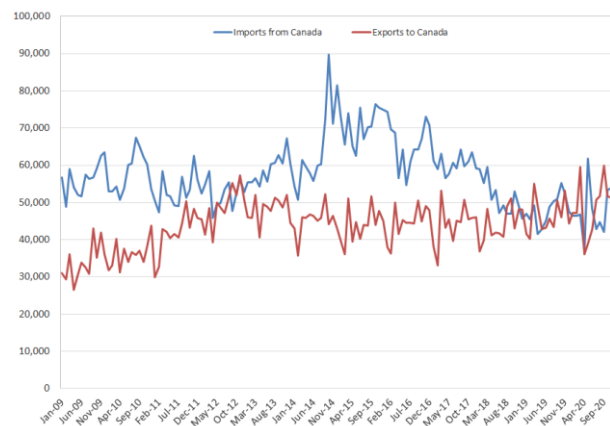
*Includes Mainland, Hong Kong & Taiwan

Total US Pork Exports

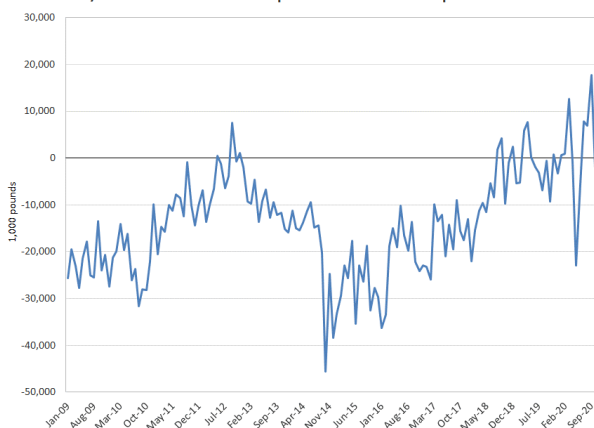
Carcass Weight 1,000 pounds



US Pork Trade With Canada



US/CAN Net Trade: US Pork Exports To Less US Pork Imports From Canada



Weekly Hog Price Recap

Cash hog values continue to improve with regional cash up lightly early in the week while reporting greater strength late-week and national cash was up daily. CME cash improved throughout the week, with Monday up the most. Wholesale pork primals also rose on the week, with pork cutout \$5.30/cwt over the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	19-Mar-21	Head	12-Mar-21		
ISM pm		\$88.46		\$87.28	\$1.18	1.4%
WCB pm		\$88.34		\$87.11	\$1.23	1.4%
Nat pm		\$86.48		\$84.37	\$2.11	2.5%
CME Index*		\$90.55		\$86.84	\$3.71	4.3%
Sows, 300-449lbs	17,513	\$78.38	15,336	\$74.26	\$4.12	5.5%
Sows, 500+ lbs	12,540	\$85.18	12,413	\$81.64	\$3.54	4.3%
BoC Exch		1.2473		1.2597	-0.0124	-1.0%

* Represents Friday-Thursday average

Market hog values generally strengthened \$5 to \$8.50 per hog on the week. Hog values out of the OlyW 20, Hylife and Quebec up the most from a week ago, each up near \$8.50/hog. The OlyW 21 improved \$7.50/hog, followed by BP/TC and Ontario which were each up over \$7/hog and the ML Sig 4 which climbed \$5.25/hog. In the US, Tyson was up \$4.25/hog while JM increased \$2.50/hog from the previous week.

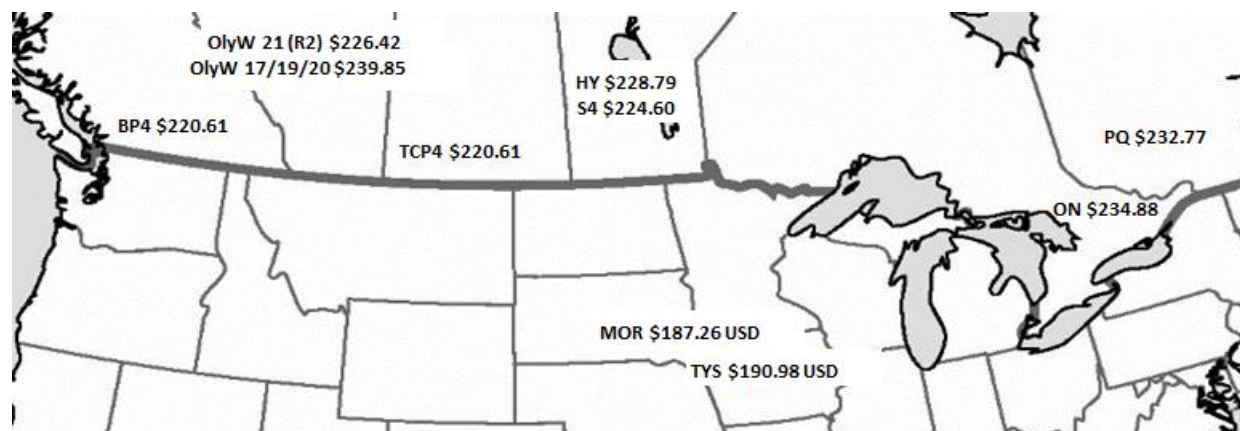
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 19-Mar-21	Difference to OlyW21
OlyW 2021 (R2)**	\$184.83		\$196.26		\$195.23		\$226.42	
OlyW 17/19/20*	\$176.61	-\$8.21	\$200.64	\$4.37	\$196.72	\$1.49	\$239.85	\$13.42
ML Sig 4	\$180.16	-\$4.67	\$193.18	-\$3.08	\$189.08	-\$6.15	\$224.60	-\$1.83
BP4/TCP4	\$179.62	-\$5.21	\$188.45	-\$7.81	\$185.88	-\$9.35	\$220.61	-\$5.82
Hylife	\$184.88	\$0.05	\$200.53	\$4.26	\$195.77	\$0.54	\$228.79	\$2.36
Ontario***	\$177.22	-\$7.60	\$196.01	-\$0.25	\$190.83	-\$4.40	\$234.88	\$8.46
Québec	\$187.68	\$2.86	\$204.79	\$8.53	\$199.30	\$4.07	\$232.77	\$6.34
Tyson (USD)	\$127.12	-\$57.71	\$146.55	-\$49.72	\$142.19	-\$53.04	\$190.98	-\$35.45
John Morrell (USD)	\$119.75	-\$65.07	\$145.32	-\$50.94	\$139.79	-\$55.44	\$187.26	-\$39.17

*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

** 13 week average and the latest week uses the OlyW'21 including the floor price

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

To Note: OlyW and BP4/TCP4 are nearly a full 1 week lag to Sig 4, Hylife, Ontario & Quebec



Weekly Hog Margins

Hog margins continue to strengthen amid ongoing rises in hog and pork values and were further supported by a decline in feed costs. Canadian farrow-to-finish feed costs dropped more than \$2/hog while those in the monitored US region declined more than \$1/hog from week earlier.

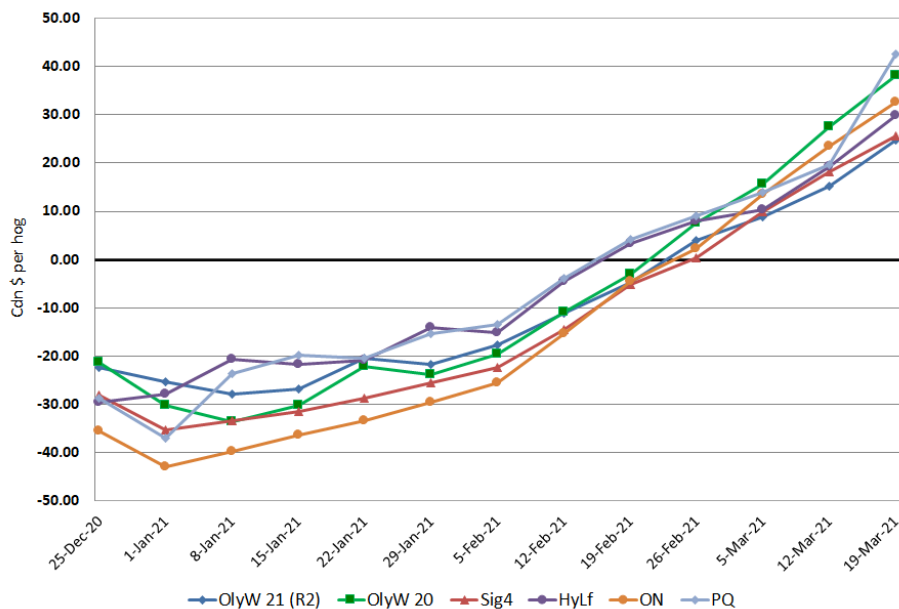
Hog margins out of the OlyW 20 again finished the week the strongest north of the border, up \$10.75 to more than \$38/hog profits. Ontario strengthened near \$9 to \$32.50 hog profits, while Quebec margins improved \$10.50 to \$30/hog profits. Hog margins out of Hylife strengthened \$10.50 to \$29.75/hog profits while ML Sig 4 margins improved \$7.25 to \$25.50/hog profits and the OlyW 21 strengthened more than \$9.50 to \$24.75/hog profits. In the US, Tyson margins strengthened \$6 to \$43.75/hog profits while JM margins were up \$3.75 to \$41.75/hog profits from a week earlier.

Regional MARGINS, \$/hog						
Packer/Region	19-Mar-21	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$239.85	\$142.17	\$39.45	\$20.05	\$201.67	\$38.18
OlyW 21 (R2)/Alberta	\$226.42	\$142.17	\$39.45	\$20.05	\$201.67	\$24.75
ML Sig 4/Manitoba	\$224.60	\$139.91	\$39.54	\$19.55	\$199.00	\$25.60
Hylife/Manitoba	\$228.79	\$139.92	\$39.54	\$19.55	\$199.01	\$29.78
Ontario	\$234.88	\$137.85	\$40.71	\$23.76	\$202.32	\$32.56
Québec	\$232.77	\$140.54	\$40.50	\$21.65	\$202.69	\$30.08
Tyson (USD)/Iowa	\$190.98	\$101.91	\$28.70	\$16.57	\$147.18	\$43.80
John Morrell (USD)/ND	\$187.26	\$100.18	\$28.70	\$16.57	\$145.45	\$41.81

* Feed costs standardized for a 285 pound market hog

Tyson: \$43.80 USD x 1.2562 = \$55.02 CAD
 Morrell: \$41.81 USD x 1.2562 = \$52.52 CAD

Canadian Margins Last 13 weeks



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