



Weekly Regional HOG PRICE Report



Things to Consider....

April 20, 2021

Retail bacon prices edged 7 cents higher or +1.3% to \$5.85/lb for March, bringing retail values +11.3% or 60 cents over year ago levels. Current retail bacon price levels are 39 cents over the 3 year average for the month of March, and has reached a new high for the month historically. Wholesale belly prices in comparison rose \$29.82 to \$176.34/cwt for March, a +20.4% jump from the month of February. Compared to last year, wholesale bellies are \$102.66/cwt or +139.3% over March 2020.

Retail chop prices were up 9 cents or +2.4% to \$3.77/lb for March, bringing chops 35 cents or +10.2% over last year. Current retail price levels are 45 cents over the 3 year average for the month of March. Wholesale loins were up \$9.14 to \$88.64/cwt or +11.5% from the previous month, and +8.6% or \$7.04/cwt over last year.

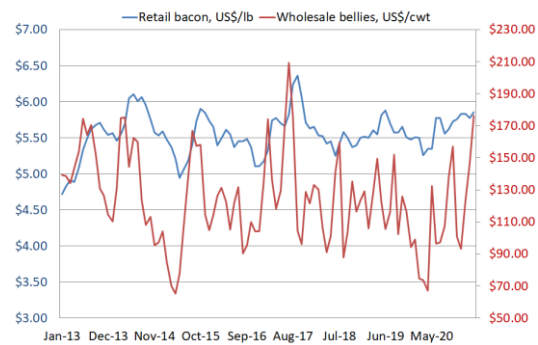
Total retail ham values reported a 17 cent decline or -4.7% lower for March to \$3.51/lb, reaching a historical high for the month and is 14 cents or +4.0% over last year. Wholesale ham prices averaged \$83.85/cwt, up \$5.52/cwt cents or +7.0% from February, and brought hams \$29.57/cwt or +54.5% over year ago levels. For comparison wholesale picnics averaged \$69.15/cwt, up \$11.34 or +19.6% from February and \$8.88/cwt or +14.7% over last year.

Pork Cutout continues to trade above historical averages supporting spring cash and summer/fall future prices. Based on recent trade, cut-out should be a focus as any weakness in meat prices at this time of the year could signal a potential top in the market.

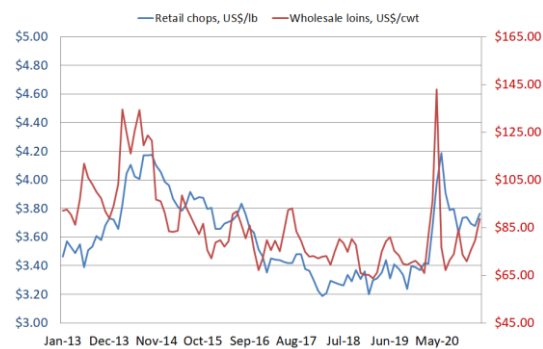
US Retail Pork Price, US\$/lb							
	Mar-20	Feb-21	Mar-21	m/m	y/y		
Bacon	\$5.26	\$5.78	\$5.85	\$0.07	1.3%	\$0.60	11.3%
All Pork Chops	\$3.42	\$3.68	\$3.77	\$0.09	2.4%	\$0.35	10.2%
chops, center cut, bone in	\$3.91	\$3.96	\$4.07	\$0.10	2.6%	\$0.16	4.1%
chops, boneless	\$3.79	\$4.14	\$4.25	\$0.12	2.8%	\$0.46	12.2%
All ham	\$3.38	\$3.68	\$3.51	-\$0.17	-4.7%	\$0.14	4.0%
Hams, boneless uncanned	\$4.46	\$4.92	\$4.79	-\$0.13	-2.7%	\$0.33	7.3%
All Other Pork	\$2.76	\$3.00	\$3.00	\$0.00	-0.1%	\$0.24	8.5%

National Pork (MPR) Primal Values							
	Mar-20	Feb-21	Mar-21	m/m	y/y		
Cutout	72.25	88.34	101.25	\$12.91	14.6%	\$29.00	40.1%
Loin	81.61	79.51	88.64	\$9.14	11.5%	\$7.04	8.6%
Butt	100.25	76.50	98.65	\$22.15	29.0%	-\$1.60	-1.6%
Picnic	60.26	57.80	69.15	\$11.34	19.6%	\$8.88	14.7%
Rib	145.89	148.99	164.92	\$15.93	10.7%	\$19.03	13.0%
Ham	54.28	78.33	83.85	\$5.52	7.0%	\$29.57	54.5%
Belly	73.68	146.52	176.34	\$29.82	20.4%	\$102.66	139.3%

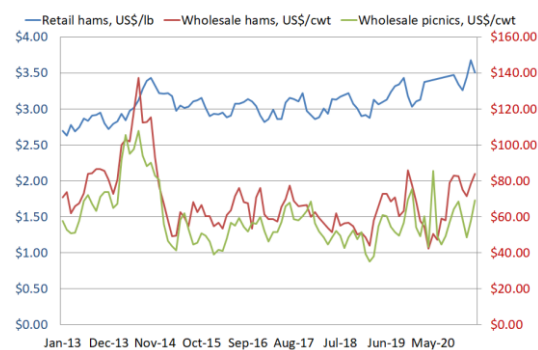
Retail Bacon VS Wholesale Bellies



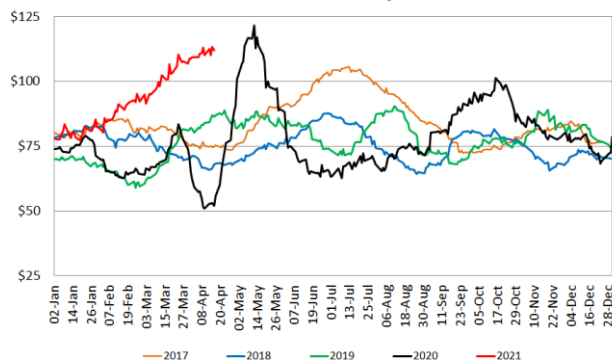
Retail Chops VS Wholesale Loins



Retail Hams VS Wholesale Hams/Picnics



USDA Cutout US\$/cwt



Weekly Hog Price Recap

Cash hogs climbed again this past week, with stronger gains recorded mid-to-late week. CME cash also improved daily with better gains early in the week. Wholesale pork values varied however most primals finished the week higher, excluding bellies and butts, with pork cutout climbing \$0.92/cwt over the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	16-Apr-21	Head	9-Apr-21		
ISM pm		\$102.31		\$99.81	\$2.50	2.5%
WCB pm		\$102.11		\$99.64	\$2.47	2.5%
Nat pm		\$100.72		\$97.90	\$2.81	2.9%
CME Index*		\$102.65		\$100.64	\$2.01	2.0%
Sows, 300-449lbs	13,471	\$78.39	13,942	\$81.54	-\$3.15	-3.9%
Sows, 500+ lbs	12,292	\$84.40	12,978	\$87.16	-\$2.76	-3.2%
BoC Exch		1.2535		1.2565	-0.0030	-0.2%

* Represents Friday-Thursday average

Market hog values were generally up \$3-\$5 per hog on the week, with those out of Quebec up the most. The OlyW 20 rose \$4.75/hog, followed by Ontario and the ML Sig 4 which were each up \$4.50/hog. OlyW 21 & BP/TC values were up near \$3.75/hog while Hylife climbed \$3/hog. In the US, Tyson was up \$4/hog while JM increased \$5/hog from week ago levels.

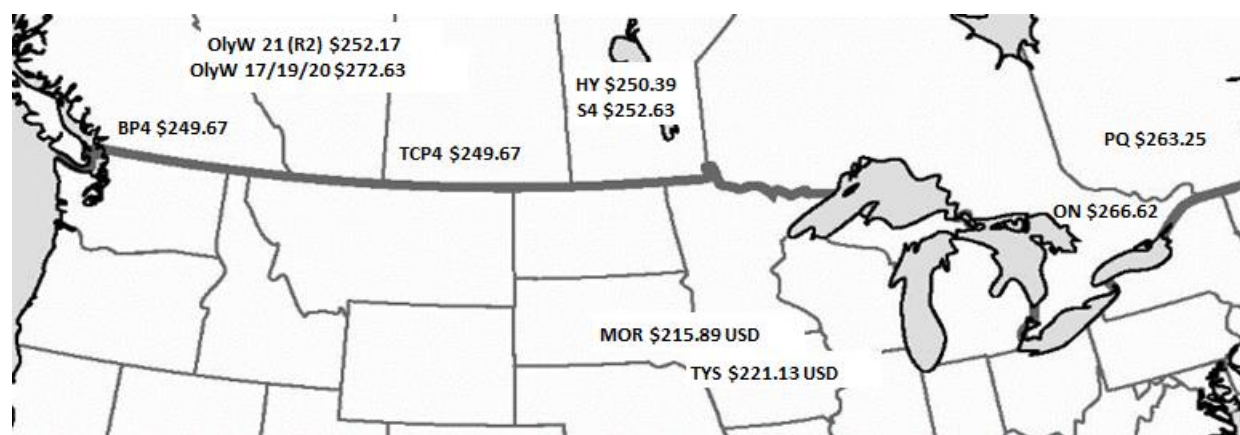
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 16-Apr-21	Difference to OlyW21
OlyW 2021 (R2)**	\$186.65		\$208.81		\$214.39		\$252.17	
OlyW 17/19/20*	\$178.86	-\$7.79	\$216.91	\$8.10	\$223.41	\$9.02	\$272.63	\$20.47
ML Sig 4	\$182.12	-\$4.53	\$206.90	-\$1.92	\$212.36	-\$2.03	\$252.63	\$0.46
BP4/TCP4	\$183.14	-\$3.50	\$202.09	-\$6.72	\$207.36	-\$7.03	\$249.67	-\$2.50
Hylife	\$186.84	\$0.20	\$212.47	\$3.66	\$216.98	\$2.59	\$250.39	-\$1.78
Ontario***	\$179.59	-\$7.06	\$212.55	\$3.74	\$219.22	\$4.83	\$266.62	\$14.46
Québec	\$189.95	\$3.30	\$218.22	\$9.41	\$223.21	\$8.81	\$263.25	\$11.09
Tyson (USD)	\$129.32	-\$57.33	\$164.35	-\$44.46	\$171.35	-\$43.04	\$221.13	-\$31.04
John Morrell (USD)	\$122.16	-\$64.49	\$161.83	-\$46.99	\$169.18	-\$45.21	\$215.89	-\$36.27

*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 improve on good strength in hog and pork values, however were somewhat tempered this past week by another rise in feed costs. Canadian farrow-to-finish feed costs climbed \$1/hog while feed costs in the monitored US region rose closer to \$1.40/hog from week earlier.

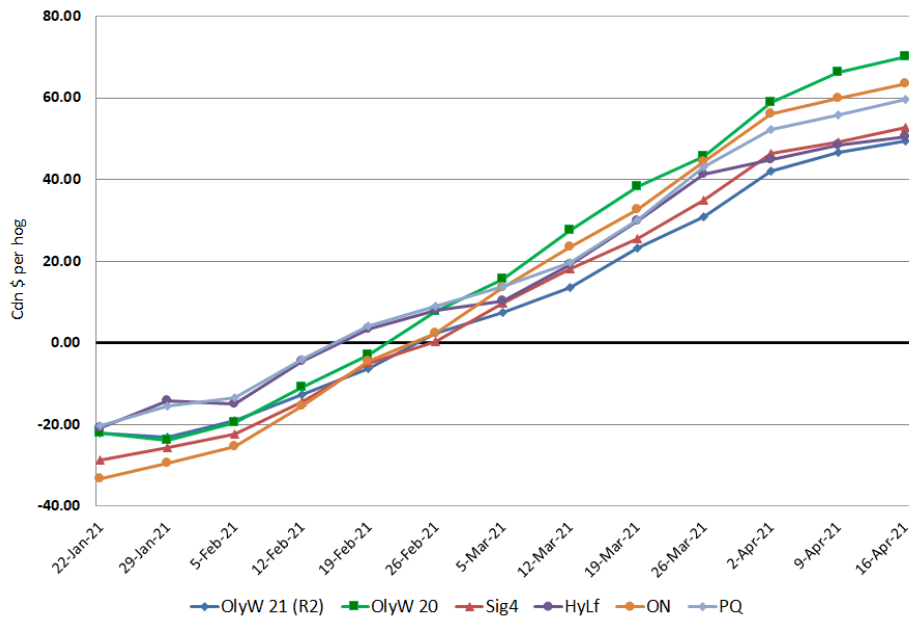
Hog margins of the OlyW 20 continue as the strongest north of the border, up \$3.75 to \$70/hog profits. Ontario strengthened near \$3.50 to more than \$63.25/hog profits, while Quebec margins improved nearly \$4 to more than \$59.50/hog profits. ML Sig 4 margins improved \$3.50 to nearly \$52.75/hog profits while those out of Hylife strengthened \$2 to \$50.50/hog profits and the OlyW 21 rose \$2.75 to \$49.50/hog profits. In the US, Tyson hog margins strengthened \$3.25 to \$73.75/hog profits while JM margins were up \$3.75 to nearly \$70.25/hog profits from a week earlier.

Regional MARGINS, \$/hog						
Packer/Region	16-Apr-21		Farrow to Finish		Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$272.63	\$143.12	\$39.45	\$20.05	\$202.62	\$70.01
OlyW 21 (R2)/Alberta	\$252.17	\$143.12	\$39.45	\$20.05	\$202.62	\$49.55
ML Sig 4/Manitoba	\$252.63	\$140.86	\$39.54	\$19.55	\$199.95	\$52.68
Hylife/Manitoba	\$250.39	\$140.87	\$39.54	\$19.55	\$199.96	\$50.43
Ontario	\$266.62	\$138.80	\$40.71	\$23.76	\$203.27	\$63.35
Québec	\$263.25	\$141.49	\$40.50	\$21.65	\$203.64	\$59.61
Tyson (USD)/Iowa	\$221.13	\$102.15	\$28.70	\$16.57	\$147.42	\$73.71
John Morrell (USD)/ND	\$215.89	\$100.42	\$28.70	\$16.57	\$145.69	\$70.20

* Feed costs standarized for a 285 pound market hog

Tyson: \$73.71 USD x 1.2572 = \$92.67 CAD
 Morrell: \$70.20 USD x 1.2572 = \$88.26 CAD

Canadian Margins Last 13 weeks



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