



Weekly Regional HOG PRICE Report



Things to Consider....

March 30, 2021

The USDA's Quarterly Hogs & Pigs report was released Thursday, March 25th reporting declines in all categories. All Hogs & Pigs fell 2,539 thousand head from the tally reported in December, bringing the latest inventory 1,406 thousand under March of last year.

Kept for Breeding fell 1% or 61 thousand from the figure for December, which is 2.5% or 160 thousand under last year.

Market hogs fell 3.5% or 2,478 thousand head from last quarter and sits 1.8% or 1,246 thousand head under last year. The March pig crop declined 1,694 thousand head from previously reported, bringing the pig crop 475 thousand head under year ago levels.

Pigs per litter slipped below 11 for the first time in 2 years, reported at 10.94 pigs/litter for the Dec-Feb period.

Report revisions, as reported by the USDA:

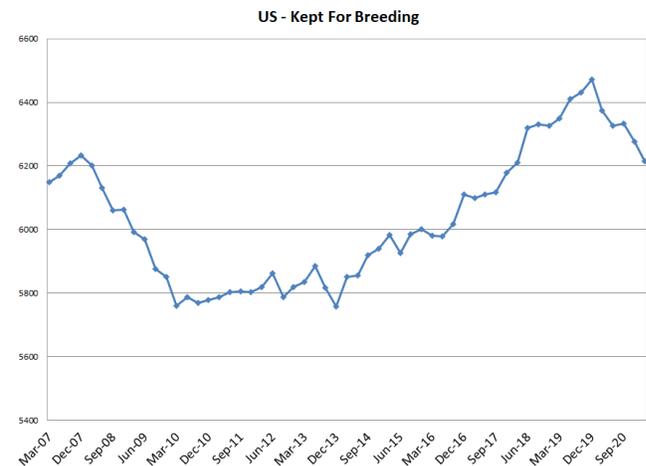
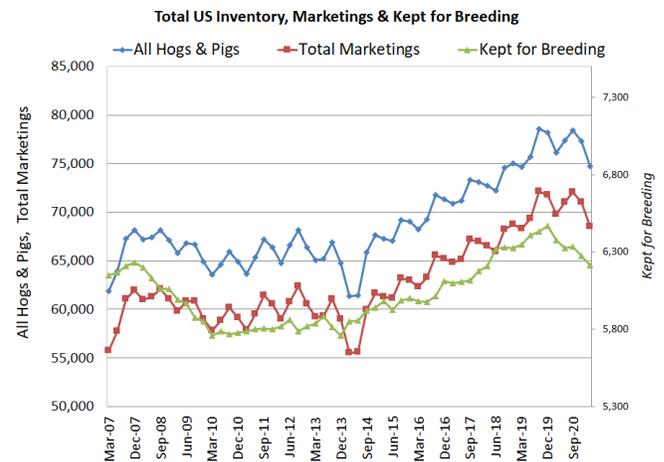
All inventory and pig crop estimates for March 2020 through December 2020 were reviewed using final pig crop, official slaughter, death loss, and updated import and export data. The revision made to the December 2020 all hogs and pigs inventory was 0.2 percent.

With sow numbers now at a 3-Year low of 6.215 Million the question arises of how quickly the industry will turn around and produce more pounds of pork. With lean hog futures and cash markets at record highs it will only be a matter of time before expansion begins and hog numbers level out. Any increase in the breeding herd during the upcoming summer months will only begin to impact market hogs once in the middle of 2022.

For now, hog producers can expect strong base pricing and competitive markets unless a major shift in demand is registered in the short-term.

From the supply side, the market has plenty of support, from the demand side, things are positive for now, but have been known to change more drastically than supply.

Quarterly H&P - Mar 2021		2020	2021	%21/20	Est	%Act-Est
All Hogs and Pigs		76,179	74,773	98.2%	100.3%	-2.1%
Kept for Breeding		6,375	6,215	97.5%	98.8%	-1.3%
Market Hogs		69,804	68,558	98.2%	100.4%	-2.2%
Mkt hog Wt. Groups						
Under 50 pounds		21,571	21,288	98.7%	100.4%	-1.7%
50-119 pounds		19,353	19,118	98.8%	100.8%	-2.0%
120-179 pounds		15,086	14,705	97.5%	100.8%	-3.3%
180 pounds and over		13,793	13,446	97.5%	99.7%	-2.2%
Dec-Feb Pig Crop		33,745	33,270	98.6%	100.7%	-2.1%
Dec-Feb Pigs per Litter		11.00	10.94	99.5%	100.9%	-1.4%
Sows Farrowing						
'20-'21	Dec-Feb	3,068	3,041	99.1%	99.7%	-0.6%
'21	Mar-May	3,149	3,070	97.5%	98.9%	-1.4%
'21	Jun-Aug	3,260	3,124	95.8%	99.7%	-3.9%



Weekly Hog Price Recap

Cash hogs recorded another good week of strength amid daily rises, with national cash up more in the latter half of the week. CME cash also improved daily, with better gains early and late in the week. Most wholesale pork primals also rose on the week, with pork cutout \$4.47/cwt over the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	26-Mar-21	Head	19-Mar-21		
ISM pm		\$92.76		\$88.46	\$4.30	4.9%
WCB pm		\$92.76		\$88.34	\$4.42	5.0%
Nat pm		\$90.23		\$86.48	\$3.74	4.3%
CME Index*		\$94.12		\$90.55	\$3.57	3.9%
Sows, 300-449lbs	14,667	\$80.59	17,513	\$78.38	\$2.21	2.8%
Sows, 500+ lbs	12,294	\$87.28	12,540	\$85.18	\$2.10	2.5%
BoC Exch		1.2565		1.2473	0.0092	0.7%

* Represents Friday-Thursday average

Market hog values strengthened as much as \$12.50/hog this past week, with those out of Quebec up the most. Hog values out of Ontario were up \$11.25/hog, followed by Hylife which climbed \$11/hog. The Sig 4 rose shy of \$9/hog, while the OlyW 20 & 21 were each up \$7/hog and BP/TP was up \$5.25/hog from the previous week. In the US, Tyson was up \$8.75/hog while JM increased more than \$19/hog from week ago levels.

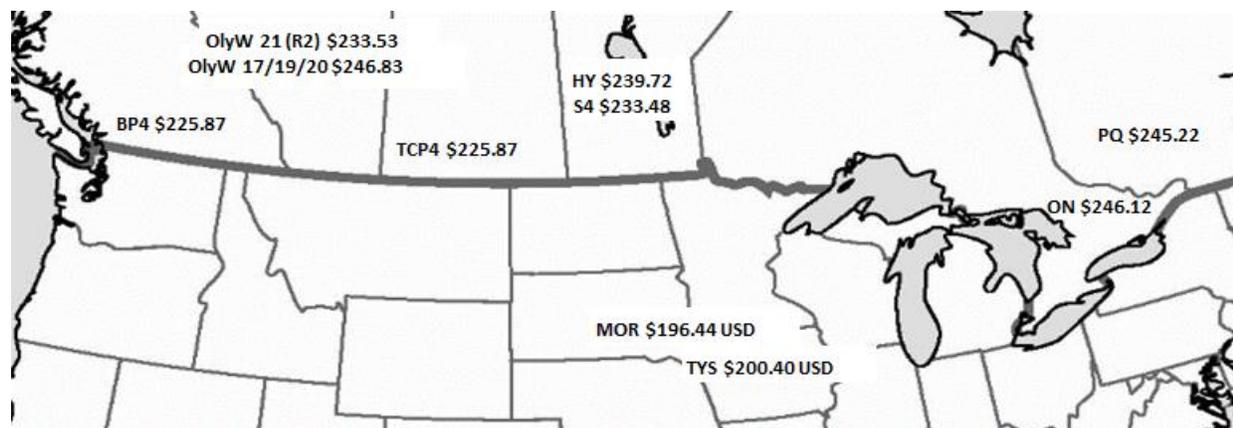
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 26-Mar-21	Difference to OlyW21
OlyW 2021 (R2)**	\$185.15		\$199.20		\$199.54		\$233.53	
OlyW 17/19/20*	\$176.66	-\$8.49	\$204.49	\$5.29	\$201.98	\$2.44	\$246.83	\$13.30
ML Sig 4	\$180.51	-\$4.63	\$196.54	-\$2.66	\$194.04	-\$5.50	\$233.48	-\$0.05
BP4/TCP4	\$179.90	-\$5.24	\$191.57	-\$7.63	\$189.87	-\$9.67	\$225.87	-\$7.66
Hylife	\$185.29	\$0.14	\$203.81	\$4.61	\$201.32	\$1.77	\$239.72	\$6.19
Ontario***	\$177.65	-\$7.49	\$200.19	\$0.99	\$197.08	-\$2.47	\$246.12	\$12.59
Québec	\$188.11	\$2.97	\$208.16	\$8.96	\$204.92	\$5.37	\$245.22	\$11.68
Tyson (USD)	\$127.52	-\$57.63	\$151.08	-\$48.12	\$148.44	-\$51.11	\$200.40	-\$33.14
John Morrell (USD)	\$120.20	-\$64.95	\$149.58	-\$49.62	\$146.43	-\$53.11	\$196.44	-\$37.09

*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 declined \$0.50/hog while feed costs in the monitored US region \$1.25/hog from week earlier.

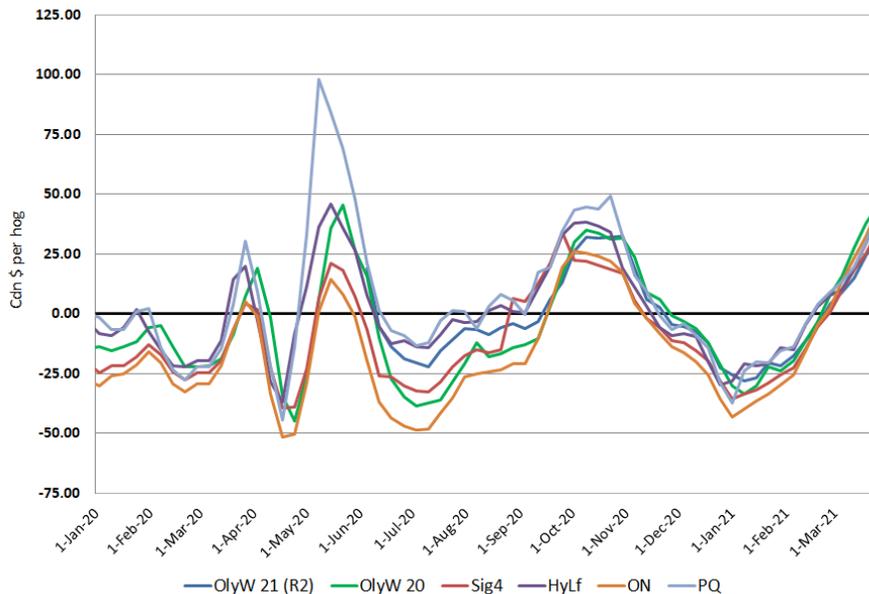
Hog margins out of the OlyW 20 again finished the week the strongest north of the border, up \$7.50 to more than \$45.75/hog profits. Ontario strengthened near \$11.75 to \$44.25/hog profits, while Quebec margins improved \$13 to \$43/hog profits. Margins out of Hylife strengthened \$11.50 to \$41.25/hog profits while ML Sig 4 margins improved nearly \$9.50 to \$35/hog profits and the OlyW 21 strengthened near \$7.75 to \$32.50/hog profits. In the US, hog margins improved near \$10.50/hog with Tyson reaching \$54.50/hog profits while JM margins were closer to \$52.25/hog profits from a week earlier.

Regional MARGINS, \$/hog						
Packer/Region	26-Mar-21		Farrow to Finish		Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$246.83	\$141.63	\$39.45	\$20.05	\$201.13	\$45.70
OlyW 21 (R2)/Alberta	\$233.53	\$141.63	\$39.45	\$20.05	\$201.13	\$32.40
ML Sig 4/Manitoba	\$233.48	\$139.37	\$39.54	\$19.55	\$198.46	\$35.02
Hylife/Manitoba	\$239.72	\$139.38	\$39.54	\$19.55	\$198.47	\$41.25
Ontario	\$246.12	\$137.31	\$40.71	\$23.76	\$201.78	\$44.34
Québec	\$245.22	\$140.00	\$40.50	\$21.65	\$202.15	\$43.07
Tyson (USD)/Iowa	\$200.40	\$100.69	\$28.70	\$16.57	\$145.96	\$54.44
John Morrell (USD)/ND	\$196.44	\$98.96	\$28.70	\$16.57	\$144.23	\$52.21

* Feed costs standardized for a 285 pound market hog

Tyson: \$54.44 USD x 1.2631 = \$68.76 CAD
 Morrell: \$52.21 USD x 1.2631 = \$65.95 CAD

Canadian Margins 2020-2021



Disclaimer: Commodity Professionals Inc. presents this report as a snapshot of the market using current information available at the time of the report. These findings are for informational purposes only and should not be reproduced or transmitted by any means without permission. Commodity Professionals Inc. does not guarantee, and accepts no legal liability arising from or connected to, the accuracy, reliability, or completeness of any material contained in the publication.