



Weekly Regional HOG PRICE Report



June 8, 2021

Things to Consider....

US pork exports reported for April fell -10.1% from last reported, with March 2021 having recorded a new historical high surpassing the previous high reached in March 2020. Compared to year ago levels, current US pork exports are up +2.1% however are running -3.1% under last year-to-date.

Most destinations for US pork reported decreased volume on the latest report, particularly major destinations such as Japan and China, however also notably Canada and Colombia. Despite the 24.5-million-pound decline to Japan, US pork exports to the country remain above more recent seasonal levels for this time historically excluding the highs recorded in April 2020. Mainland China dropped 21.8 million pounds from last reported, while Hong Kong and Taiwan both recorded modest increases for an adjusted China* decline of 20.7 million pounds. US pork to Canada fell 8.9 million pounds, while Colombia declined 7.5 million pounds.

Mexico increased imports of US pork by 5.0 million pounds in April, while Chile climbed 2.4 million pounds. The Philippines edged 1.6 million pounds higher however reached a new historical high for the second consecutive report, supported by reduced tariffs on imported pork muscle cuts to help curb rising pork prices domestically.

US pork exports continue to perform at record levels however the monthly data reported here represents a 2-month lag in data reporting by the USDA. April numbers which only became available in the past week do not necessarily provide the best view of what has happened more recently. The notable decline in Chinese imports has the hog market on high alert. Chinese pork purchasing from other major markets such as Spain have dried up in the latest reports which has been a major catalyst in the declines recorded in the lean hog futures market over the last 2 weeks.

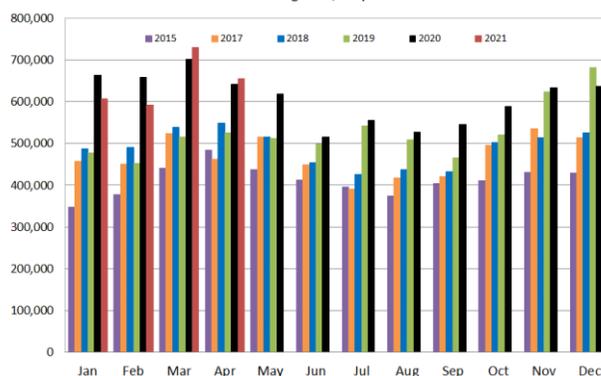
For now, cash hog markets appear to be providing the greatest opportunity to hog producers for positive returns. That being said, any recovery in the lean hog market should be viewed as a hedging opportunity for producers looking to reduce risk for fall 2021 and early 2022.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Apr-20	Mar-21	Apr-21	M/M%	Y/Y%	YTD/LY1
Australia	20,206	22,865	18,332	-19.8%	-9.3%	-16.3%
Canada	36,050	54,814	45,884	-16.3%	27.3%	1.7%
China*	240,915	175,339	154,672	-11.8%	-35.8%	-25.6%
Colombia	14,886	27,563	20,096	-27.1%	35.0%	24.9%
Japan	121,939	129,035	104,509	-19.0%	-14.3%	-2.3%
Mexico	98,876	148,777	153,743	3.3%	55.5%	8.1%
South Korea	46,248	52,283	51,449	-1.6%	11.2%	-3.6%
All US Pork Exports	641,265	728,844	654,963	-10.1%	2.1%	-3.1%

*Includes Mainland, Hong Kong & Taiwan

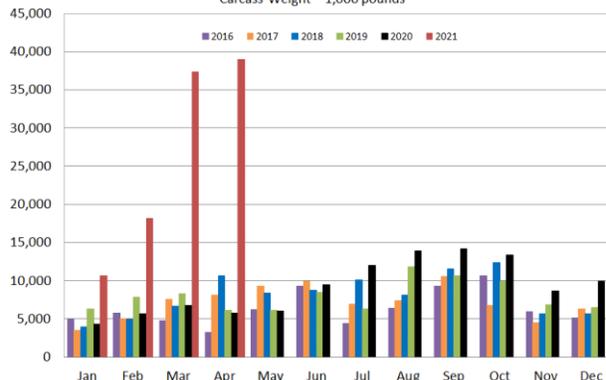
Total US Pork Exports

Carcass Weight 1,000 pounds



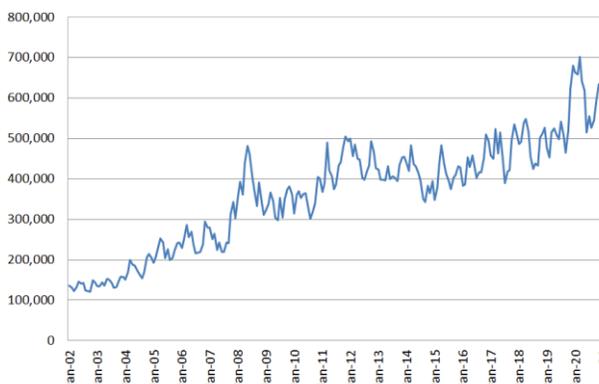
Total US Pork Exports to the Philippines

Carcass Weight 1,000 pounds



Total US Pork Exports

Carcass Weight 1,000 pounds



Weekly Hog Price Recap

National cash recorded modest daily rises while regional cash faced modest declines early on and recorded increases the latter half of the holiday-shortened week. CME cash improved daily, with better strength reported as the week progressed. Wholesale pork values varied however most primals finished higher with pork cutout ending \$5.48/cwt over the week previous.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	04-Jun-21	Head	28-May-21		
ISM pm		\$112.31		\$113.46	-\$1.15	-1.0%
WCB pm		\$112.39		\$113.16	-\$0.77	-0.7%
Nat pm		\$108.06		\$108.13	-\$0.07	-0.1%
CME Index*		\$114.02		\$112.61	\$1.41	1.3%
Sows, 300-449lbs	9,426	\$50.34	11,922	\$52.90	-\$2.56	-4.8%
Sows, 500+ lbs	9,871	\$56.28	12,893	\$58.62	-\$2.34	-4.0%
BoC Exch		1.2070		1.2082	-0.0012	-0.1%

* Represents Friday-Thursday average

Canadian market hog values improved again this past week with Hylife and the OlyW 21 up the most, each rising near \$9.50/hog. Values out of Quebec rose \$5.50/hog, followed by the Sig 4 which rose \$5.25/hog and the OlyW 20 which was up \$4/hog. Hog values out of Ontario climbed \$3/hog while the BP/TC was up \$1.50/hog. In the US, Tyson declined shy of \$4/hog while JM fell \$1.50/hog from the previous week.

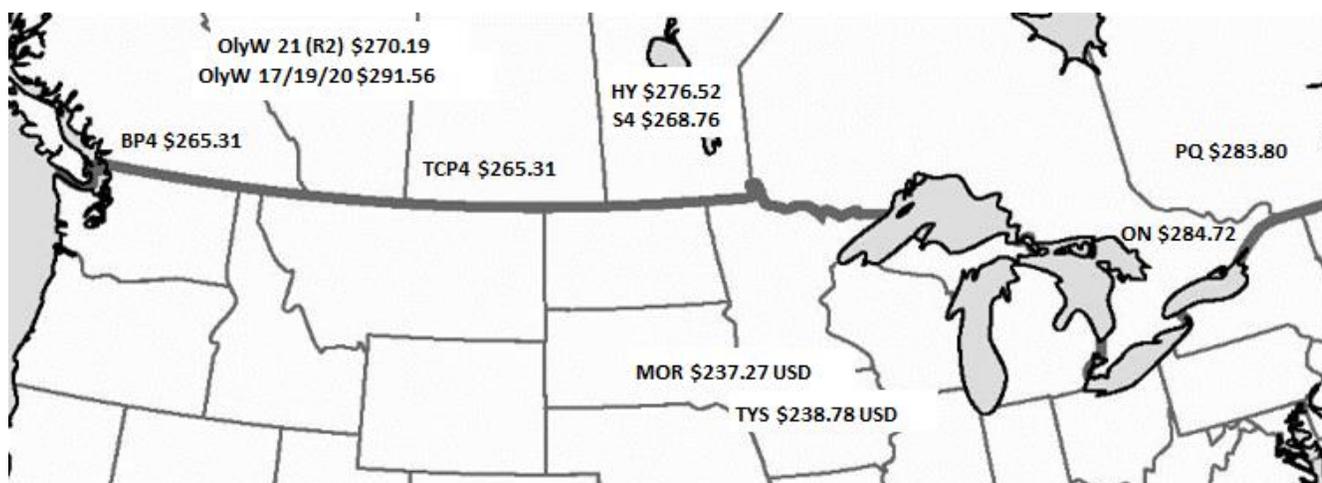
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 04-Jun-21	Difference to OlyW21
OlyW 2021 (R2)**	\$190.63		\$224.63		\$248.52		\$270.19	
OlyW 17/19/20*	\$183.27	-\$7.35	\$238.69	\$14.07	\$270.42	\$21.90	\$291.56	\$21.37
ML Sig 4	\$186.39	-\$4.24	\$224.21	-\$0.42	\$250.13	\$1.61	\$268.76	-\$1.43
BP4/TCP4	\$187.40	-\$3.23	\$220.76	-\$3.87	\$247.36	-\$1.16	\$265.31	-\$4.89
Hylife	\$190.98	\$0.36	\$227.92	\$3.29	\$250.34	\$1.82	\$276.52	\$6.33
Ontario***	\$184.63	-\$6.00	\$233.28	\$8.65	\$264.52	\$16.00	\$284.72	\$14.53
Québec	\$195.04	\$4.42	\$236.32	\$11.69	\$261.81	\$13.29	\$283.80	\$13.61
Tyson (USD)	\$134.50	-\$56.13	\$190.16	-\$34.46	\$226.87	-\$21.65	\$238.78	-\$31.42
John Morrell (USD)	\$127.31	-\$63.32	\$187.25	-\$37.38	\$222.53	-\$25.99	\$237.27	-\$32.92

*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

Monitored hog margins were mixed on the week, with good gains in CME cash and improved pork values offset in part by another jump in feed costs. Farrow-to-finish feed costs rose \$4/hog on either side of the Canadian/US border in monitored regions.

Hog margins out of the OlyW 20 were up modestly to \$87.75/hog profits, followed by margins out of Ontario which weakened \$1 to \$80.25/hog profits. Quebec hog margins improved \$1.75 to \$79/hog profits, while Hylife was up \$5.75 to \$75.25/hog profits. The ML Sig 4 strengthened \$1.25 to \$67.50/hog profits and the OlyW 21 was up \$5.50 to \$66.25/hog profits. In the US, Tyson hog margins weakened \$8 while JM margins declined \$5.75 with both margins near \$86/hog profits from a week earlier.

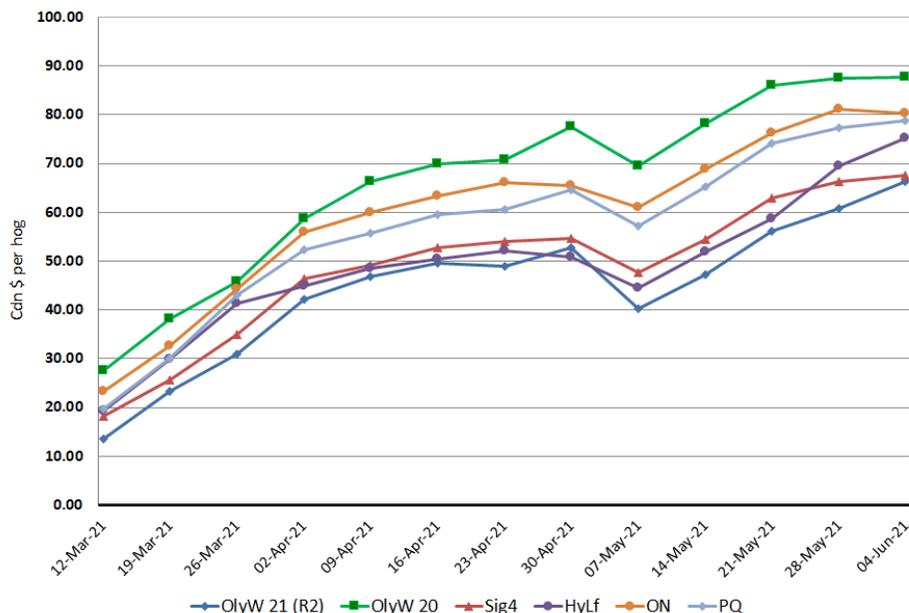
Regional MARGINS, \$/hog						
Packer/Region	04-Jun-21	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$291.56	\$144.37	\$39.45	\$20.05	\$203.87	\$87.69
OlyW 21 (R2)/Alberta	\$270.19	\$144.37	\$39.45	\$20.05	\$203.87	\$66.32
ML Sig 4/Manitoba	\$268.76	\$142.11	\$39.54	\$19.55	\$201.20	\$67.56
Hylife/Manitoba	\$276.52	\$142.12	\$39.54	\$19.55	\$201.21	\$75.31
Ontario	\$284.72	\$140.05	\$40.71	\$23.76	\$204.52	\$80.20
Québec	\$283.80	\$142.74	\$40.50	\$21.65	\$204.89	\$78.91
Tyson (USD)/Iowa	\$238.78	\$107.63	\$28.70	\$16.57	\$152.90	\$85.88
John Morrell (USD)/ND	\$237.27	\$105.90	\$28.70	\$16.57	\$151.17	\$86.10

* Feed costs standardized for a 285 pound market hog

Tyson: \$85.88 USD x 1.2097 = \$103.88 CAD

Morrell: \$86.10 USD x 1.2097 = \$104.16 CAD

Canadian Margins Last 13 weeks



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