



# Weekly Regional HOG PRICE Report



## Things to Consider....

The latest US Cold Storage report reflected an overall increase in pork volume from the levels recorded for March, as the seasonal climb in hams offset declines in most other pork categories.

US Cold Storage reported pork stocks at 455.3 million pounds for April, up +0.9% or 4.2 million pounds higher than previously reported with current levels 156.0 million pounds or -25.5% under last year. For reference, total pork in cold storage for March was revised lower from 451.8 to 451.0 million pounds. Total hams jumped 20.5 million pounds or +33.8% from last reported in a seasonal move however current stocks are 32.0 million pounds or -28.3% under year ago levels. Typically, hams in cold storage start to increase seasonally in April and continue trending higher to peak in September.

Trimming in cold storage climbed 1.2 million pounds or +2.9% from March, but is 15.6 million pounds or -27.3% under year ago levels. Picnics in cold storage were 237 thousand pounds lower for April, with current stocks -3.1% under March levels and -45.5% or 6.1 million pounds under last year. Bellies were down 1.2 million pounds or -3.4% for April, bringing current stocks -57.6% or 46.5 million pounds under last year with April 2020 representing nearly a 7-year high for monthly bellies in cold storage.

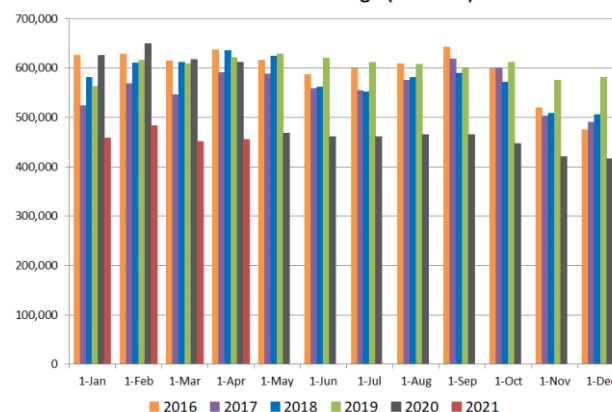
Total loins in cold storage were 1.4 million pounds lower or -2.9% lower for April, with the bone-in variety lower while the boneless variety increased moderately. This brings total loins 5.7 million pounds or 14.2% over year ago levels, and considerably high for this time historically. Butts declined 3.6 million pounds or -20.0% from March, and 11.9 million pounds or -44.9% under last year.

Overall as indicated by the historical graph, total stocks remain at the lowest level in over a decade. Only in 2010 were pork stocks lower than what the market has seen over the last few months. With expectations of supplies to continue on the short side throughout the summer months, cash continues to provide the greatest opportunity for producers in the second and third quarter of 2021.

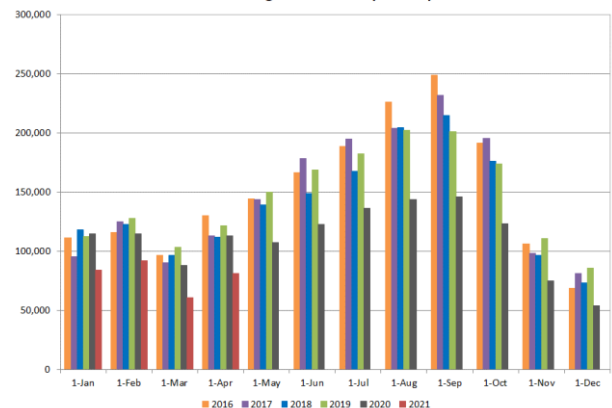
May 25, 2021

US Pork in Cold Storage					
('000 lbs)	Apr-21	Mar-21	Apr-20	M/M %	Y/Y %
Picnics	7,327	7,564	13,453	-3.1%	-45.5%
Hams	81,301	60,776	113,328	33.8%	-28.3%
Bellies	34,202	35,398	80,728	-3.4%	-57.6%
Loins	46,256	47,628	40,517	-2.9%	14.2%
Ribs	99,105	100,710	116,043	-1.6%	-14.6%
Butts	14,523	18,152	26,374	-20.0%	-44.9%
Trimming	41,336	40,173	56,890	2.9%	-27.3%
Other	62,627	68,014	73,029	-7.9%	-14.2%
<b>Total Pork</b>	<b>455,252</b>	<b>451,020</b>	<b>611,222</b>	<b>0.9%</b>	<b>-25.5%</b>

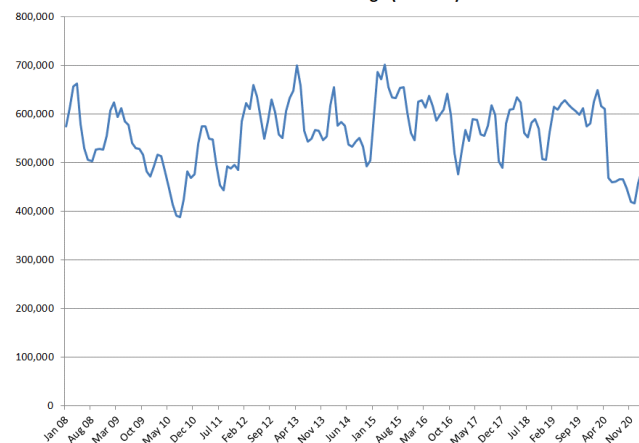
US Pork in Cold Storage ('000 Lbs)



Cold Storage - Total Hams ('000 lbs)



US Pork in Cold Storage ('000 Lbs)



# Weekly Hog Price Recap

Regional and national cash hogs declined throughout the week with greater declines recorded mid-week, while CME cash began the week with moderate gains however pulled back some during the latter part of the week. Wholesale pork values improved overall, once again excluding hams, with strength in primals helping support pork cutout \$3.67/cwt over the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	21-May-21	Head	14-May-21		
ISM pm		\$117.31		\$121.32	-\$4.01	-3.3%
WCB pm		\$117.18		\$120.89	-\$3.71	-3.1%
Nat pm		\$111.83		\$115.45	-\$3.63	-3.1%
CME Index*		\$111.54		\$110.73	\$0.81	0.7%
Sows, 300-449lbs	12,888	\$57.04	10,905	\$62.20	-\$5.16	-8.3%
Sows, 500+ lbs	12,151	\$62.71	12,466	\$67.62	-\$4.91	-7.3%
BoC Exch		1.2073		1.2109	-0.0036	-0.3%

\* Represents Friday-Thursday average

Canadian market hog values improved overall with those out of Quebec and the OlyW 21 up the most, each rising \$2.50/hog from the week previous. BP/TC increased \$2.25/hog, while the Sig 4 was up \$2/hog and the OlyW 20 improved \$1.50/hog. Hog values out of Ontario were up \$1/hog while Hylife was up more modestly, rising more than \$0.25/hog. In the US, Tyson dropped nearly \$8/hog while JM fell \$7.75/hog from the previous week.

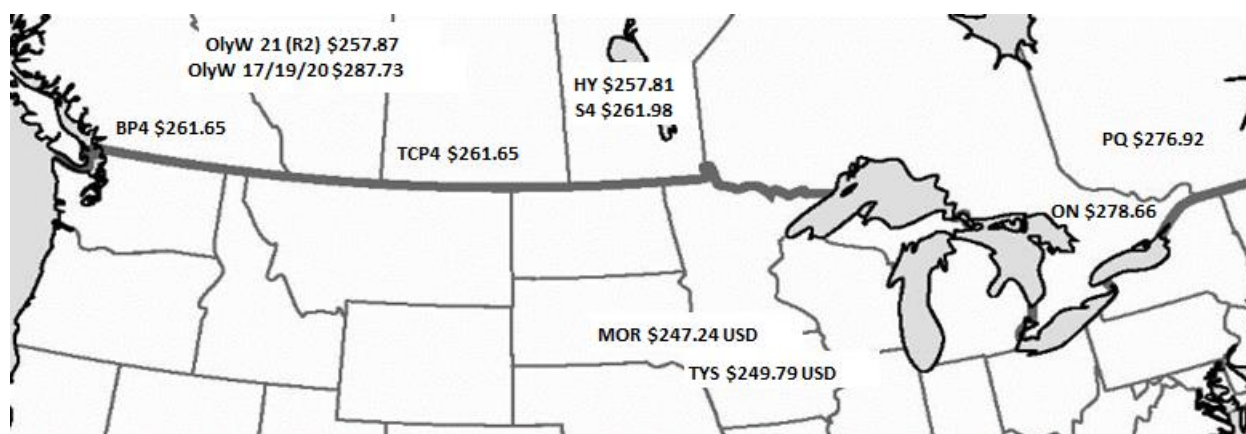
Regional Pricing, \$/hog							
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 21-May-21 Difference to OlyW21
OlyW 2021 (R2)**	\$189.55		\$220.59		\$239.97		\$257.87
OlyW 17/19/20*	\$182.12	-\$7.43	\$233.61	\$13.02	\$259.21	\$19.24	\$287.73 \$29.86
ML Sig 4	\$185.28	-\$4.27	\$220.02	-\$0.57	\$241.11	\$1.14	\$261.98 \$4.11
BP4/TCP4	\$186.24	-\$3.30	\$216.38	-\$4.21	\$237.61	-\$2.36	\$261.65 \$3.78
Hylife	\$189.81	\$0.26	\$223.46	\$2.87	\$241.08	\$1.11	\$257.81 -\$0.06
Ontario***	\$183.32	-\$6.22	\$228.29	\$7.70	\$253.81	\$13.84	\$278.66 \$20.79
Québec	\$193.72	\$4.17	\$231.85	\$11.26	\$252.04	\$12.07	\$276.92 \$19.05
Tyson (USD)	\$133.25	-\$56.30	\$185.08	-\$35.51	\$215.47	-\$24.50	\$249.79 -\$8.08
John Morrell (USD)	\$126.04	-\$63.51	\$182.17	-\$38.42	\$211.46	-\$28.51	\$247.24 -\$10.63

\*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

Canadian hog margins improved significantly this past week, with the greatest support derived from a reduction in feed costs. Canadian farrow-to-finish feed costs declined nearly \$6.50/hog while those in the monitored US region fell \$5.50/hog from week earlier.

Hog margins out of the OlyW 20 were up \$7.75 to \$86/hog profits, followed by margins out of Ontario which strengthened \$7.50 to \$76.25/hog profits and Quebec which increased \$8.75 to nearly \$74.25/hog profits. ML Sig 4 margins rose \$8.50 to \$63/hog profits while Hylife was up \$6.75 to \$58.75/hog profits and the OlyW 21 was up \$8.75 to more than \$56/hog profits. In the US, Tyson hog margins weakened \$1.75 to \$99.50/hog profits while JM margins declined \$2.25 to more than \$98.50/hog profits from a week earlier.

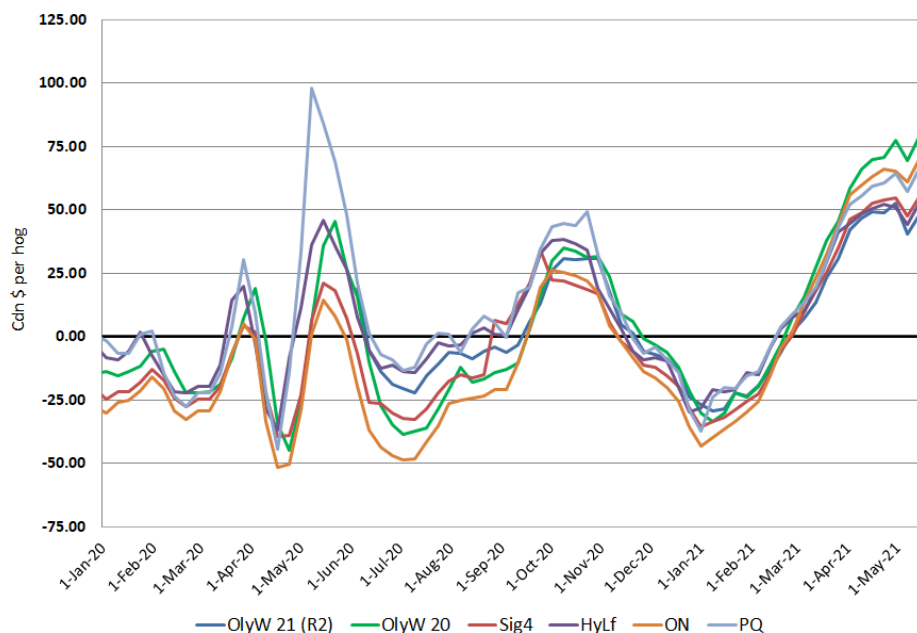
Regional MARGINS, \$/hog						
Packer/Region	21-May-21	Farrow to Finish			Total	Weekly Margin
	Hog Price	Feed*	Variable	Fixed	COP	
OlyW 20/Alberta	\$287.73	\$142.22	\$39.45	\$20.05	\$201.72	\$86.01
OlyW 21 (R2)/Alberta	\$257.87	\$142.22	\$39.45	\$20.05	\$201.72	\$56.15
ML Sig 4/Manitoba	\$261.98	\$139.96	\$39.54	\$19.55	\$199.05	\$62.93
Hylife/Manitoba	\$257.81	\$139.97	\$39.54	\$19.55	\$199.06	\$58.75
Ontario	\$278.66	\$137.90	\$40.71	\$23.76	\$202.37	\$76.29
Québec	\$276.92	\$140.59	\$40.50	\$21.65	\$202.74	\$74.18
Tyson (USD)/Iowa	\$249.79	\$105.09	\$28.70	\$16.57	\$150.36	\$99.43
John Morrell (USD)/ND	\$247.24	\$103.36	\$28.70	\$16.57	\$148.63	\$98.61

\* Feed costs standardized for a 285 pound market hog

Tyson: \$99.43 USD x 1.2057 = \$119.88 CAD

Morrell: \$98.61 USD x 1.2057= \$118.89 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.*