



Weekly Regional HOG PRICE Report



Things to Consider....

June 22, 2021

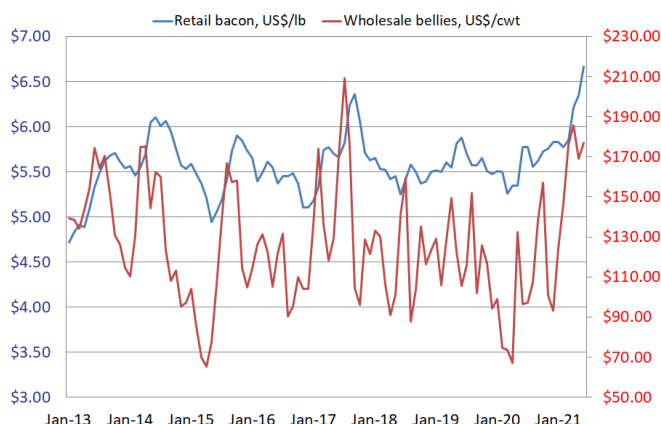
Retail bacon prices jumped 32 cents or +5.1% to \$6.67/lb for June, bringing retail values +15.6% or 90 cents over year ago levels. Current retail bacon price levels are \$1.04 over the 3-year average for the month of June, and has reached a new historical high surpassing the previous high reached in Sept 2017 at \$6.37/lb. In comparison, wholesale belly prices rose +4.7% or \$8.02 to \$176.98/cwt from May, bringing bellies 83.2% or \$80.39 over year ago levels.

All retail chops rose 21 cents higher or +5.5% to \$4.09/lb, bringing chops 10 cents or -2.4% under last year. Current retail price levels are 50 cents over the 3-year average for the month of June. Boneless chops climbed 18 cents higher or +4.1% to \$4.54/lb, bringing boneless chops -3.2% or \$0.15 under last year. Bone-in chops climbed 19 cents higher or +4.5% to \$4.35/lb, bringing the cut -4.2% or 19 cents under year ago levels. In comparison, wholesale loins were up \$6.99 to \$117.72/cwt or +6.3% higher than the previous month, and +53.4% or \$40.99/cwt over last year. All retail hams climbed 14 cents higher or +3.7% to \$3.77/lb from May, with no year-over-year comparison. Current retail price levels are 64 cents over the 3-year average for the month of June.

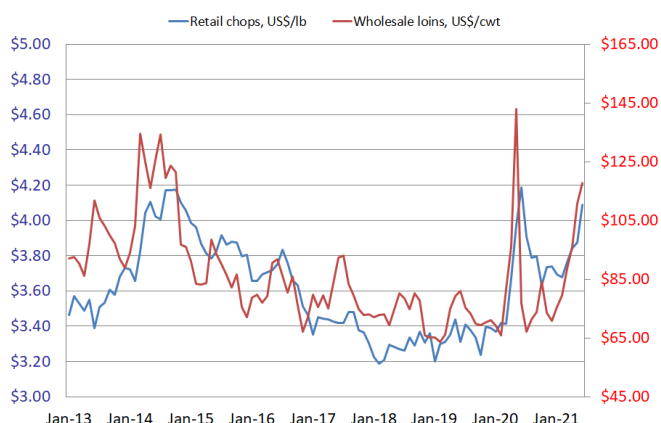
Boneless ham values edged 1 cent higher or +0.3% to \$4.92/lb for June, bringing them 31 cents or +6.8% over last year. Wholesale ham prices averaged \$87.11/cwt, down \$0.32/cwt or -0.4% from May, which brought hams \$40/cwt or +84.9% over year ago levels. For comparison wholesale picnics averaged \$79.88/cwt, up \$0.96 or +1.2% for June and brought picnics \$30.82/cwt or +62.8% over last year.

The category reporting other retail pork prices rose 16 cents or +5.1% to \$3.38/lb, reaching a new historical high surpassing the previous high recorded a month earlier and current levels are 59 cents over the 3-year average for June.

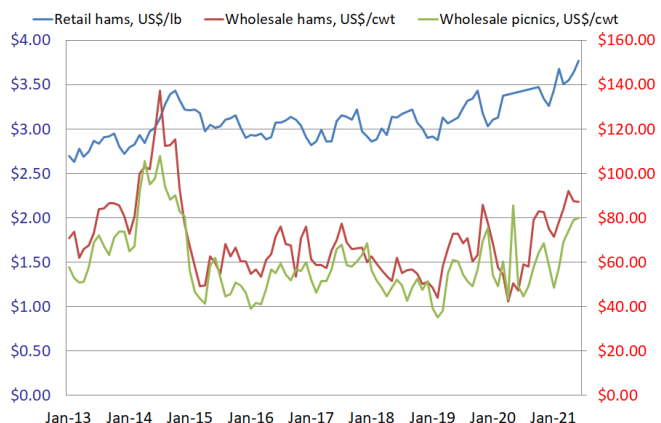
Retail Bacon VS Wholesale Bellies



Retail Chops VS Wholesale Loins



Retail Hams VS Wholesale Hams/Picnics



Weekly Hog Price Recap

Regional and national cash hogs recorded daily increases with stronger gains generally in the front-half of the week, while CME cash also improved early on however faced declines into the end of the week. Most wholesale pork primal values declined on the week, pushing pork cutout \$10.69/cwt lower or -8.0% under the week previous.

USD Cash Price	Weekly Averages				
	Head	18-Jun-21	Head	11-Jun-21	w/w % Chg
ISM pm		\$130.06		\$118.51	\$11.55 9.7%
WCB pm		\$129.85		\$117.97	\$11.89 10.1%
Nat pm		\$120.81		\$111.62	\$9.19 8.2%
CME Index*		\$121.81		\$118.75	\$3.06 2.6%
Sows, 300-449lbs	12,024	\$47.56	12,028	\$48.40	-\$0.84 -1.7%
Sows, 500+ lbs	13,127	\$53.32	13,392	\$54.15	-\$0.83 -1.5%
BoC Exch		1.2256		1.2101	0.0155 1.3%

* Represents Friday-Thursday average

Canadian market hog values generally improved \$5 to \$10 per hog on the week, excluding the OlyW 20 which jumped \$13.75/hog. The ML Sig 4 improved \$10.25/hog, followed by hog values out of Ontario which rose \$9.75/hog and the OlyW 21 which was up \$9.25/hog. BP/TC climbed \$6.50/hog while Quebec improved \$4.50/hog. Hylife was up \$6.75/hog however the adjusted price reflected a \$6/hog decline from a week earlier. In the US, hog values surged with Tyson up more than \$19.50/hog and JM \$24.75/hog over the previous week.

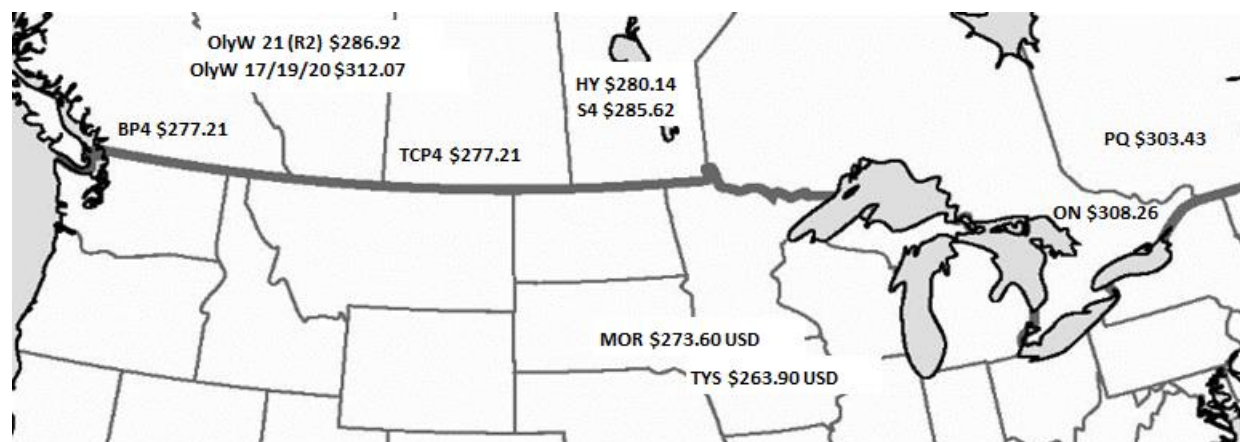
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 18-Jun-21	Difference to OlyW21
OlyW 2021 (R2)**	\$191.81		\$229.39		\$257.93		\$286.92	
OlyW 17/19/20*	\$184.50	-\$7.31	\$244.23	\$14.84	\$281.12	\$23.19	\$312.07	\$25.15
ML Sig 4	\$187.55	-\$4.26	\$228.90	-\$0.50	\$259.12	\$1.19	\$285.62	-\$1.30
BP4/TCP4	\$188.53	-\$3.28	\$225.19	-\$4.20	\$256.11	-\$1.81	\$277.21	-\$9.71
Hylife	\$192.18	\$0.37	\$232.57	\$3.18	\$259.35	\$1.42	\$280.14	-\$6.77
Ontario***	\$186.03	-\$5.78	\$239.12	\$9.73	\$275.60	\$17.67	\$308.26	\$21.34
Québec	\$196.48	\$4.67	\$241.72	\$12.33	\$272.97	\$15.04	\$303.43	\$16.51
Tyson (USD)	\$135.85	-\$55.96	\$195.52	-\$33.87	\$236.92	-\$21.01	\$263.90	-\$23.02
John Morrell (USD)	\$128.70	-\$63.11	\$193.42	-\$35.98	\$234.11	-\$23.82	\$273.60	-\$13.32

*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 improved overall on strength in cash hogs and a significant reduction in feed costs. Farrow-to-finish feed costs dropped more than \$5.50/hog on either side of the Canadian/US border.

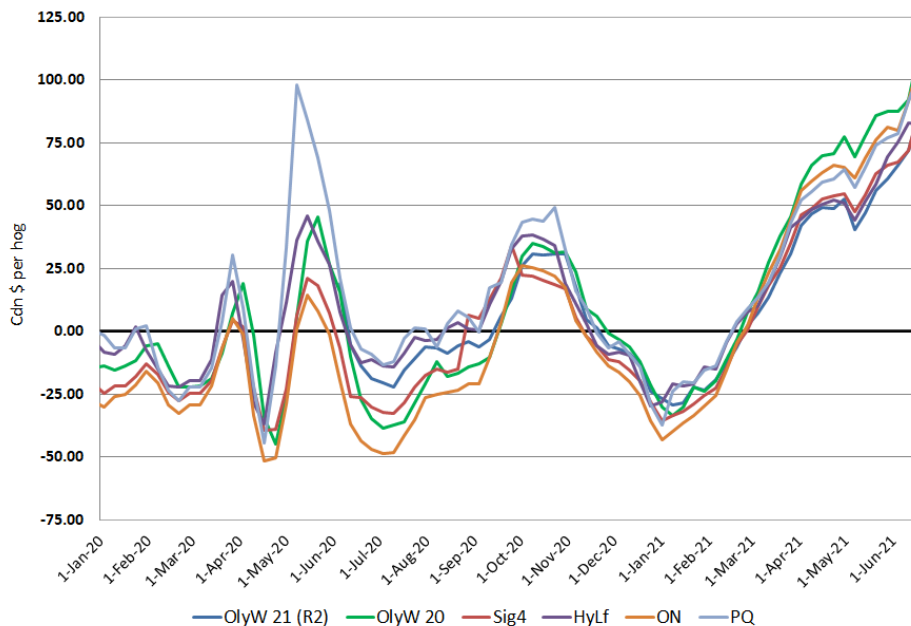
Hog margins out of the OlyW 20 jumped \$19.50 to \$111.75/hog profits, followed by margins out of Ontario which rose \$15.50 to \$107.50/hog profits and Quebec up \$10.25 to \$102.25/hog profits. ML Sig 4 margins strengthened \$16 to \$88/hog profits, while the OlyW 21 was up nearly \$15 to \$86.75/hog profits and Hylife edged \$0.50 weaker to \$82.50/hog profits. In the US, Tyson hog margins strengthened \$25.75 to \$115/hog profits while JM margins surged \$30.25 to \$126.50/hog profits from a week earlier.

Regional MARGINS, \$/hog						
Packer/Region	18-Jun-21	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$312.07	\$140.71	\$39.45	\$20.05	\$200.21	\$111.86
OlyW 21 (R2)/Alberta	\$286.92	\$140.71	\$39.45	\$20.05	\$200.21	\$86.71
ML Sig 4/Manitoba	\$285.62	\$138.45	\$39.54	\$19.55	\$197.54	\$88.08
Hylife/Manitoba	\$280.14	\$138.46	\$39.54	\$19.55	\$197.55	\$82.59
Ontario	\$308.26	\$136.39	\$40.71	\$23.76	\$200.86	\$107.40
Québec	\$303.43	\$139.08	\$40.50	\$21.65	\$201.23	\$102.20
Tyson (USD)/Iowa	\$263.90	\$103.61	\$28.70	\$16.57	\$148.88	\$115.02
John Morrell (USD)/ND	\$273.60	\$101.88	\$28.70	\$16.57	\$147.15	\$126.45

* Feed costs standardized for a 285 pound market hog

Tyson: \$115.02 USD x 1.2356 = \$142.12 CAD
 Morrell: \$126.45 USD x 1.2356 = \$156.24 CAD

Canadian Margins 2020-2021



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