



Weekly Regional HOG PRICE Report



Things to Consider....

August 10, 2021

Retail bacon prices rose 19 cents or +2.8% to \$6.86/lb, bringing retail values +18.7% or \$1.08 over year ago levels. Current retail bacon price levels are \$1.23 over the 3 year average for the month of July, and has reached a new historical high surpassing the previous high reached in June 2021 at \$6.67/lb.

In comparison, wholesale belly prices rose +15.9% or \$28.09 to \$205.07/cwt for July and is the second highest historically behind only the record high of \$209.41 reach in July 2017. Compared to year ago levels, bellies are up +110.7% or \$107.75 higher.

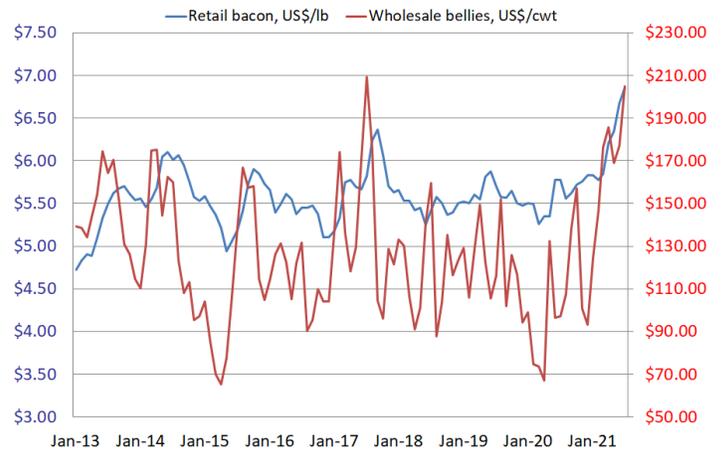
All retail chops were generally stable, slipping 1 cent or -0.2% lower to \$4.08/lb from July however was 17 cents or +4.4% over last year. Current retail price levels are 55 cents over the 3 year average for the month of July. Boneless chops fell 9 cents lower or -1.9% to \$4.46/lb, bringing boneless chops +2.3% or \$0.10 over last year. Bone-in chops edged 3 cents lower or -0.7% to \$4.32/lb, bringing the cut also -0.7% or 3 cents under year ago levels.

Wholesale loins were down \$8.19 to \$109.54/cwt or -7.0% lower than the previous month, and +63.1% or \$42.38/cwt over last year.

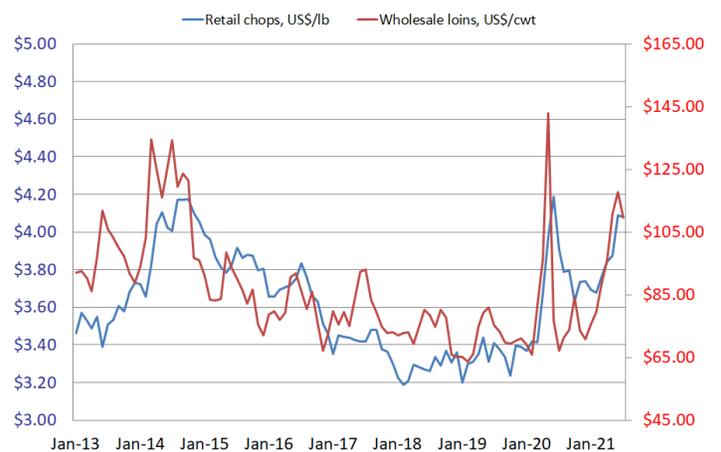
All retail hams fell 6 cents or -1.6% to \$3.71/lb from June, with no year-over-year comparison. Current retail price levels are 51 cents over the 3 year average for the month of July. Boneless ham values declined 26 cents or -5.2% to \$4.67/lb for July, bringing them 9 cents or +2.0% over last year.

Wholesale ham prices averaged \$102.15/cwt which was up \$15.04/cwt or +17.3% from June and \$43.13/cwt or +73.1% over year ago levels. For comparison wholesale picnics averaged \$84.67/cwt, up \$4.79 or +6.0% for July and brought picnics \$40.10/cwt or +90.0% over last year. The category reporting other retail pork prices rose 18 cents or +5.4% to \$3.56/lb, reaching a new historical high for the 4th consecutive month with current levels 46 cents over the 3-year average for the month of July.

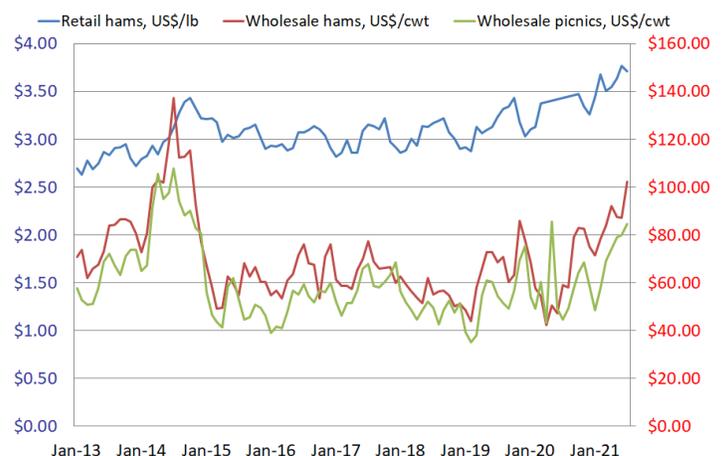
Retail Bacon VS Wholesale Bellies



Retail Chops VS Wholesale Loins



Retail Hams VS Wholesale Hams/Picnics



Weekly Hog Price Recap

Regional and national cash hogs fell daily with heavier declines recorded early to mid-week. CME cash also declined overall, however recorded some modest recovery mid-week to help end the week nearly unchanged. Wholesale pork values generally improved, excluding hams, which helped support pork cutout \$1.40/cwt over the previous week's average.

USD Cash Price	Weekly Averages				
	Head	6-Aug-21	Head	30-Jul-21	w/w % Chg
ISM pm		\$105.22		\$108.18	-\$2.96 -2.7%
WCB pm		\$104.84		\$107.87	-\$3.03 -2.8%
Nat pm		\$101.92		\$105.39	-\$3.48 -3.3%
CME Index*		\$111.99		\$112.06	-\$0.07 -0.1%
Sows, 300-449lbs	12,708	\$81.96	12,362	\$76.83	\$5.14 6.7%
Sows, 500+ lbs	11,037	\$88.19	11,779	\$82.34	\$5.85 7.1%
BoC Exch		1.2534		1.2521	0.0013 0.1%

* Represents Friday-Thursday average

Canadian market hog values were mixed, with many markets recording moderate improvement. Hylife rose \$1.60/hog, followed by those out of Quebec which were \$1.15/hog higher and the ML Sig 4 which climbed \$0.70/hog from a week earlier. Hog values out of Ontario edged \$0.35/hog lower, while the OlyW 20 dropped \$3.25/hog and the OlyW 21 was up \$0.10/hog. BP/TC fell \$3.50/hog from a week prior. In the US, hog values out of Tyson dropped more than \$9.25/hog and JM was down \$6.25/hog from the previous week.

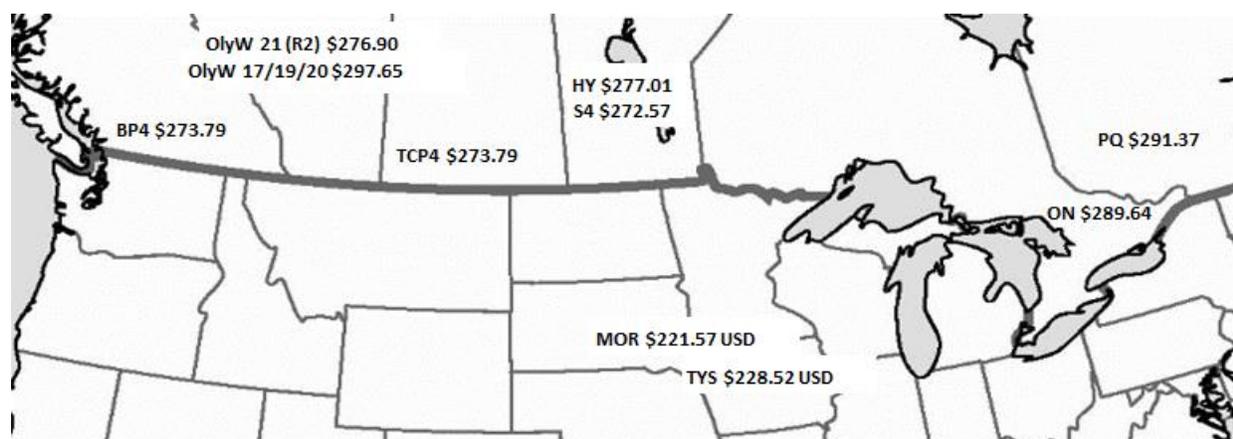
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 6-Aug-21	Difference to OlyW21
OlyW 2021 (R2)**	\$194.51		\$238.69		\$269.73		\$276.90	
OlyW 17/19/20*	\$187.24	-\$7.28	\$256.77	\$18.07	\$297.04	\$27.31	\$297.65	\$20.75
ML Sig 4	\$190.13	-\$4.38	\$238.76	\$0.07	\$271.01	\$1.28	\$272.57	-\$4.34
BP4/TCP4	\$191.29	-\$3.22	\$236.76	-\$1.94	\$271.76	\$2.03	\$273.79	-\$3.11
Hylife	\$194.78	\$0.26	\$241.05	\$2.35	\$270.31	\$0.58	\$277.01	\$0.11
Ontario***	\$189.11	-\$5.41	\$250.71	\$12.01	\$289.42	\$19.69	\$289.64	\$12.74
Québec	\$199.53	\$5.02	\$252.34	\$13.65	\$287.46	\$17.73	\$291.37	\$14.47
Tyson (USD)	\$139.38	-\$55.14	\$207.62	-\$31.08	\$249.39	-\$20.34	\$228.52	-\$48.39
John Morrell (USD)	\$132.31	-\$62.20	\$204.43	-\$34.26	\$245.86	-\$23.87	\$221.57	-\$55.33

*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 were mixed to generally lower, with mostly modest improvement in market hog values outweighed by an increase in feed costs. Canadian farrow-to-finish feed costs climbed \$1/hog while those in the monitored US region increased a little more, up \$1.15/hog from a week earlier.

Hog margins out of the OlyW 20 weakened \$4.25 to \$98.75/hog profits, while those out of Quebec were up \$0.20 to \$91.45/hog profits and Ontario weakened \$1.30 to \$90/hog profits. Hylife margins improved \$0.65 to \$80.75/hog profits, while the OlyW 21 declined \$0.85 to \$78/hog profits and the ML Sig 4 edged \$0.25 lower at \$76.35/hog profits. In the US, hog margins out of Tyson weakened \$10 to \$80.75/hog profits while JM margins fell \$7.45 to \$75.50/hog profits.

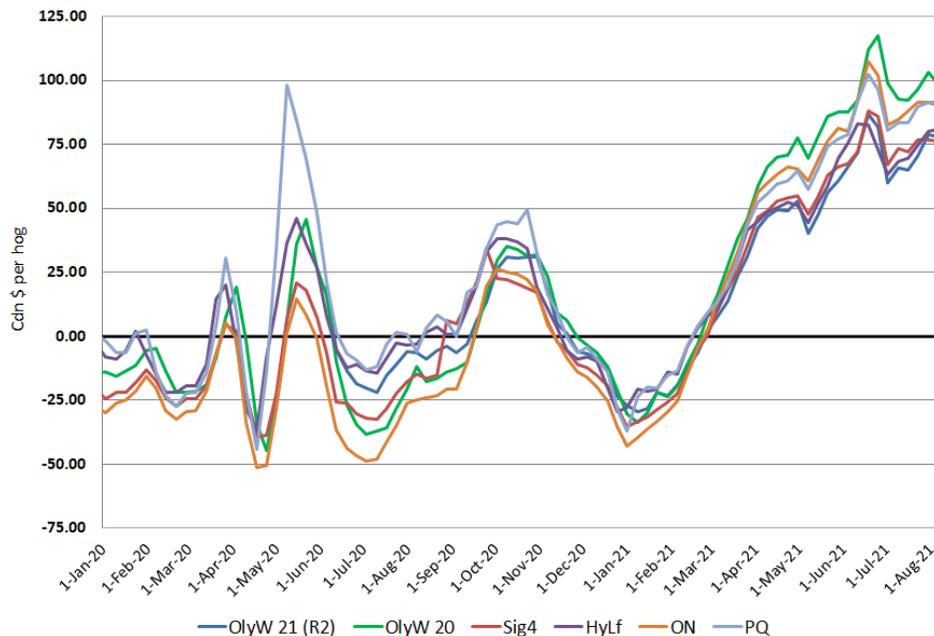
Regional MARGINS, \$/hog						
Packer/Region	6-Aug-21	Farrow to Finish			Total	Weekly Margin
	Hog Price	Feed*	Variable	Fixed	COP	
OlyW 20/Alberta	\$297.65	\$139.40	\$39.45	\$20.05	\$198.90	\$98.75
OlyW 21 (R2)/Alberta	\$276.90	\$139.40	\$39.45	\$20.05	\$198.90	\$78.00
ML Sig 4/Manitoba	\$272.57	\$137.14	\$39.54	\$19.55	\$196.23	\$76.34
Hylife/Manitoba	\$277.01	\$137.15	\$39.54	\$19.55	\$196.24	\$80.77
Ontario	\$289.64	\$135.08	\$40.71	\$23.76	\$199.55	\$90.09
Québec	\$291.37	\$137.77	\$40.50	\$21.65	\$199.92	\$91.45
Tyson (USD)/Iowa	\$228.52	\$102.51	\$28.70	\$16.57	\$147.78	\$80.74
John Morrell (USD)/ND	\$221.57	\$100.78	\$28.70	\$16.57	\$146.05	\$75.52

* Feed costs standardized for a 285 pound market hog

Tyson: \$80.74 USD x 1.254 = \$101.25 CAD

Morrell: \$75.52 USD x 1.254 = \$94.70 CAD

Canadian Margins 2020-2021



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