



# Weekly Regional HOG PRICE Report



## Things to Consider....

August 24, 2021

The latest US & Canadian Hogs report released by the USDA reported decreased inventories, with overall inventories under the previous reporting period and under year ago tallies.

North American hogs and pigs were reported at 89.9 million head, edging 41 thousand head or -0.5% under the previous report and 78 thousand head or -1% under last year.

Canadian All Hogs and Pigs however climbed +1.6% from the previous report and +0.9% from the same period in 2020. It's worth noting that the latest Canadian inventory has reached its highest tally historically, surpassing the previous high recorded in July 2017 at 14,200 thousand head.

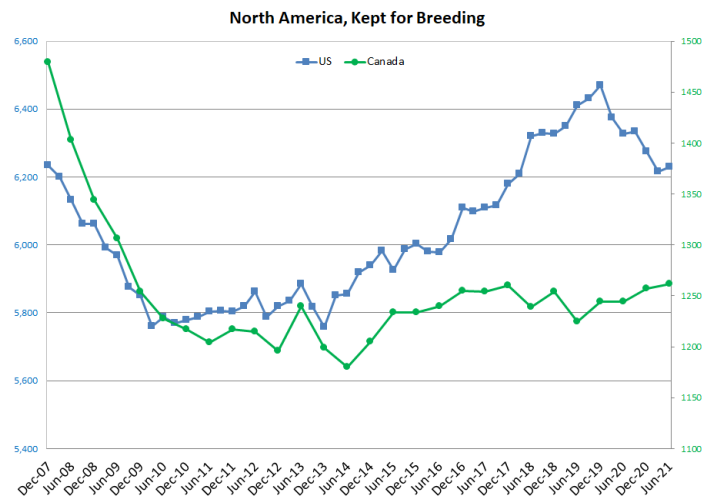
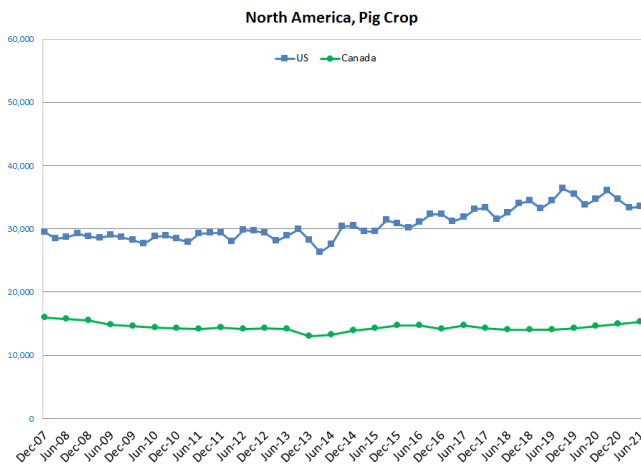
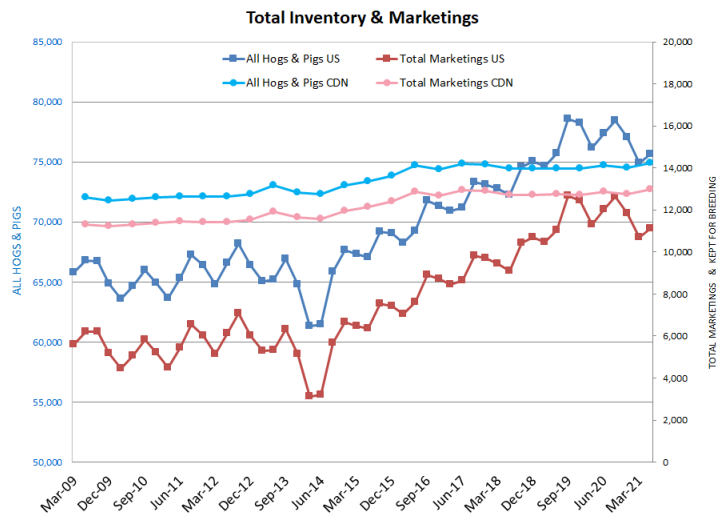
All North American Breeding stock declined -0.5% or 41 thousand head from the previous report, and fell -1% or 78 thousand under year ago levels. The Canadian breeding herd was up +0.4% from last reported and +1.4% over last year.

Hog futures continue to trade with volatility with ups and downs but over the last month have trended lower overall. The current tone is steady to weak heading into the heart of the fourth quarter supplies.

U.S. & Canadian Hogs					
June Update, Released August 2021 (1,000 head)					
	2020*	2020**	2021*	% Chg	% Chg
	Q1 & Q2	Q3 & Q4	Q1 & Q2	Q1&2 / Q3&4	Y/Y
<b>All Hogs and Pigs</b>	91,479	91,037	89,902	98.8%	98.3%
<b>Kept for Breeding</b>	7,570	7,533	7,492	99.5%	99.0%
<b>Market Hogs</b>	83,909	83,504	82,411	98.7%	98.2%
<b>Market Hog Weight Groups</b>					
Under 50 pounds	27,355	26,717	26,686	99.9%	97.6%
50-119 pounds	22,346	22,623	21,961	97.1%	98.3%
120-179 pounds	17,744	17,801	17,492	98.3%	98.6%
180 pounds and over	16,463	16,363	16,271	99.4%	98.8%
<b>Sows Farrowed</b>	7,456	7,663	7,375	96.2%	98.9%
<b>Pig Crop</b>	83,001	85,707	82,165	95.9%	99.0%

\*Figures represented are US Dec-May US & CDN Jan-Jun.

\*\*Figures represented are US Jun-Nov US & CDN Jul-Dec.



# Weekly Hog Price Recap

Regional cash hogs improved throughout of the week, while national cash declined daily. CME cash also fell throughout the week, with heavier declines late-week. Many wholesale pork primals finished the week lower, which pushed pork cutout \$3.38/cwt under the previous week's average.

USD Cash Price	Weekly Averages					
	Head	20-Aug-21	Head	13-Aug-21	w/w	% Chg
ISM pm		\$103.30		\$102.86	\$0.44	0.4%
WCB pm		\$102.98		\$102.58	\$0.40	0.4%
Nat pm		\$98.21		\$99.86	-\$1.66	-1.7%
CME Index*		\$108.84		\$110.50	-\$1.66	-1.5%
Sows, 300-449lbs	11,846	\$86.80	11,699	\$85.42	\$1.38	1.6%
Sows, 500+ lbs	11,720	\$93.24	11,721	\$92.03	\$1.20	1.3%
BoC Exch		1.2694		1.2529	0.0165	1.3%

\* Represents Friday-Thursday average

Canadian market hog values declined as cash hog and pork values continue to slide. Hylife market hog values fell \$4.75/hog, while those out of Quebec were down \$3/hog. Ontario hogs edged \$0.75/hog lower and the ML Sig 4 was down \$0.50/hog. Markets derived from lagged base pricing were also lower from the previous week with the OlyW 20 \$5/hog lower, the OlyW 21 down \$3.50/hog and the BP/TC pricing was down \$4/hog. In the US, hog values out of Tyson fell nearly \$2.75/hog while JM improved \$0.85/hog from week ago levels.

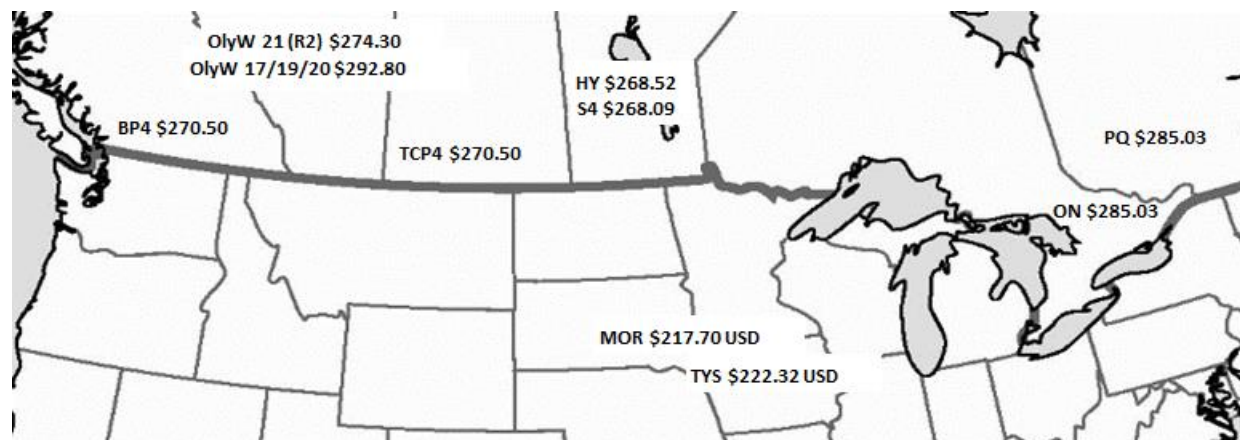
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 20-Aug-21	Difference to OlyW21
OlyW 2021 (R2)**	\$195.71		\$240.93		\$272.71		\$274.30	
OlyW 17/19/20*	\$188.66	-\$7.06	\$259.10	\$18.17	\$298.32	\$25.60	\$292.80	\$18.50
ML Sig 4	\$191.24	-\$4.47	\$240.56	-\$0.37	\$272.15	-\$0.56	\$268.09	-\$6.21
BP4/TCP4	\$192.26	-\$3.45	\$238.92	-\$2.00	\$273.60	\$0.89	\$270.50	-\$3.80
Hylife	\$195.99	\$0.28	\$242.87	\$1.95	\$272.35	-\$0.36	\$268.52	-\$5.78
Ontario***	\$190.44	-\$5.28	\$252.81	\$11.88	\$290.54	\$17.83	\$285.03	\$10.73
Québec	\$200.82	\$5.11	\$254.41	\$13.49	\$289.12	\$16.41	\$285.03	\$10.73
Tyson (USD)	\$140.50	-\$55.22	\$208.61	-\$32.32	\$244.76	-\$27.95	\$222.32	-\$51.98
John Morrell (USD)	\$133.62	-\$62.09	\$205.21	-\$35.72	\$240.66	-\$32.05	\$217.70	-\$56.60

\*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 recorded another week of declines, pressured by lower hog and pork values and further weighed on by an increase in feed costs. Canadian farrow-to-finish feed costs climbed \$0.90/hog while those in the monitored US region increased a little more, up \$1.10/hog from a week earlier.

Hog margins out of the OlyW 20 weakened \$5.85 to \$91.35/hog profits, while those out of Ontario fell \$1.65 to shy of \$83/hog profits and Quebec declined \$3.85 to \$82.60/hog profits. OlyW 21 margins were down \$4.40 to \$72.85/hog profits, Hylife margins weakened \$5.65 to \$69.75/hog profits, while ML Sig 4 dropped \$1.45 to \$69.35/hog profits. In the US, hog margins out of Tyson weakened \$3.25 to \$71.65/hog profits while JM margins were \$0.25 lower to \$68.75/hog profits.

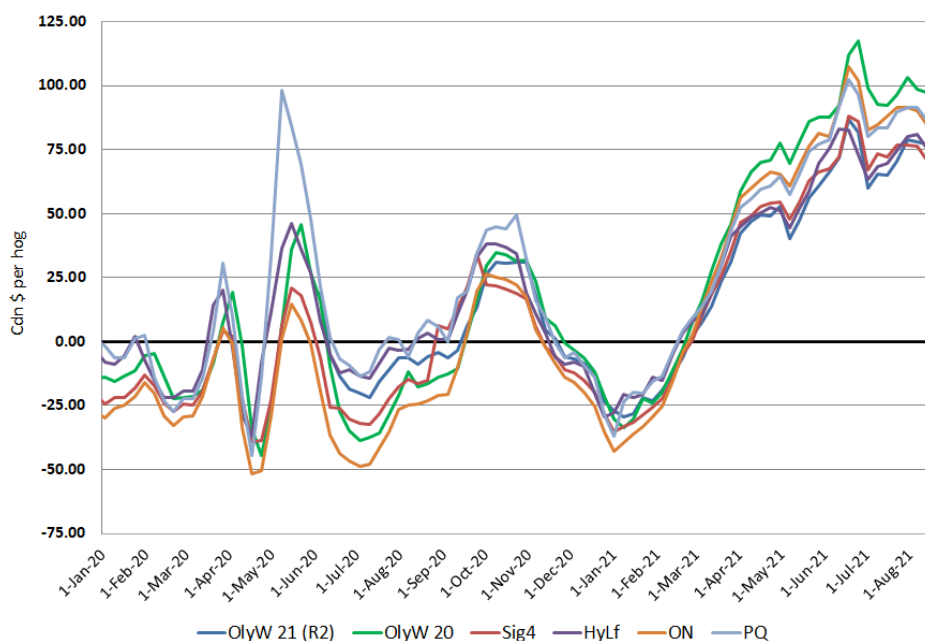
Regional MARGINS, \$/hog						
Packer/Region	20-Aug-21		Farrow to Finish		Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$292.80	\$141.93	\$39.45	\$20.05	\$201.43	\$91.37
OlyW 21 (R2)/Alberta	\$274.30	\$141.93	\$39.45	\$20.05	\$201.43	\$72.87
ML Sig 4/Manitoba	\$268.09	\$139.67	\$39.54	\$19.55	\$198.76	\$69.33
Hylife/Manitoba	\$268.52	\$139.68	\$39.54	\$19.55	\$198.77	\$69.75
Ontario	\$285.03	\$137.61	\$40.71	\$23.76	\$202.08	\$82.95
Québec	\$285.03	\$140.30	\$40.50	\$21.65	\$202.45	\$82.58
Tyson (USD)/Iowa	\$222.32	\$105.40	\$28.70	\$16.57	\$150.67	\$71.65
John Morrell (USD)/ND	\$217.70	\$103.67	\$28.70	\$16.57	\$148.94	\$68.76

\* Feed costs standardized for a 285 pound market hog

Tyson: \$71.65 USD x 1.2608 = \$90.34 CAD

Morrell: \$68.76 USD x 1.2608 = \$86.69 CAD

## Canadian Margins 2020-2021



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