



Weekly Regional HOG PRICE Report



Things to Consider....

August 31, 2021

Total US pork exports fell 55.6 million pounds or -9.9% from last reported as most major destination for US pork reported decreases for July. Compared to year ago levels, current US pork exports are 46.5 million pounds lower and 10.6 million pounds under last year-to-date.

US pork to mainland China once again reported the greatest decrease, down 29.8 million pounds and Hong Kong edged 233 thousand pounds lower while Taiwan increased 1.3 million pounds for an adjusted China* decline of 28.8 million pounds. Pork to China* accounted for 12.5% of the total monthly pork volume for July, compared to 16.4% in June and 24.4% on the 12-month average. US pork to Mexico notably fell 12.1 million pounds while the Philippines declined 7.8 million pounds, and both countries reported export levels stronger than prior years for this time respectively. Mexico accounted for 30.5% of the overall US pork exports compared to 24% on the 12-month average, while the Philippines accounted for 3% and is nearly on par with the annual average.

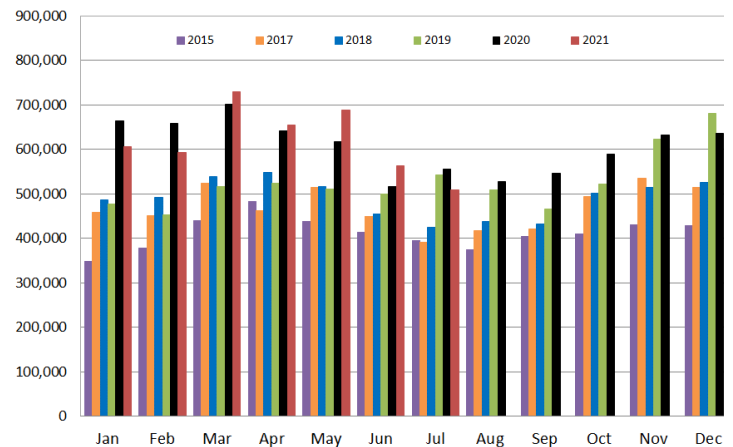
US pork to Canada climbed 5.6 million pounds for July, accounting for 9.3% of the total monthly volume compared to 8.1% for the 12-month average. The US imported 8.7 million pounds more pork than it exported to Canada for the month of July, down from the 14 million in the data from June. Colombia climbed 3.5 million pounds for July and the Dominican Republic increased by 2.0 million pounds, with US pork to both destinations well above prior years for this time.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Jul-20	Jun-21	Jul-21	M/M%	Y/Y%	YTD/LYT
Australia	11,650	15,952	12,477	-21.8%	7.1%	-10.4%
Canada	50,651	41,823	47,456	13.5%	-6.3%	2.3%
China*	165,237	92,294	63,539	-31.2%	-61.5%	-34.8%
Colombia	11,893	16,786	20,320	21.1%	70.9%	48.9%
Japan	91,515	103,403	98,445	-4.8%	7.6%	7.9%
Mexico	129,370	166,983	154,931	-7.2%	19.8%	24.2%
South Korea	31,183	44,638	40,016	-10.4%	28.3%	5.6%
All US Pork Exports	554,741	563,787	508,223	-9.9%	-8.4%	-0.2%

**Includes Mainland, Hong Kong & Taiwan*

Total US Pork Exports

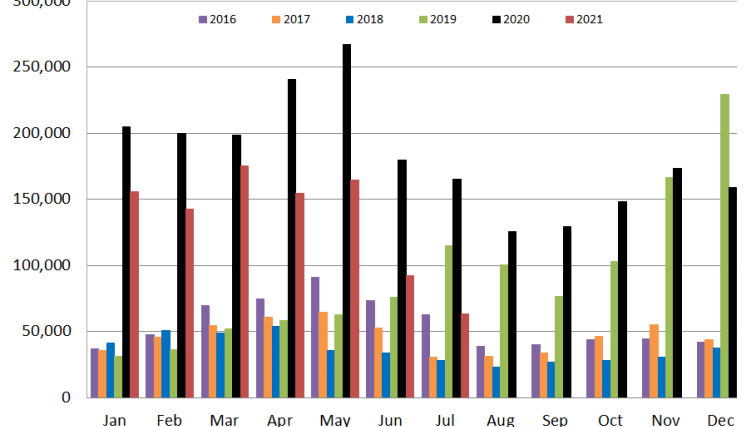
Carcass Weight 1,000 pounds



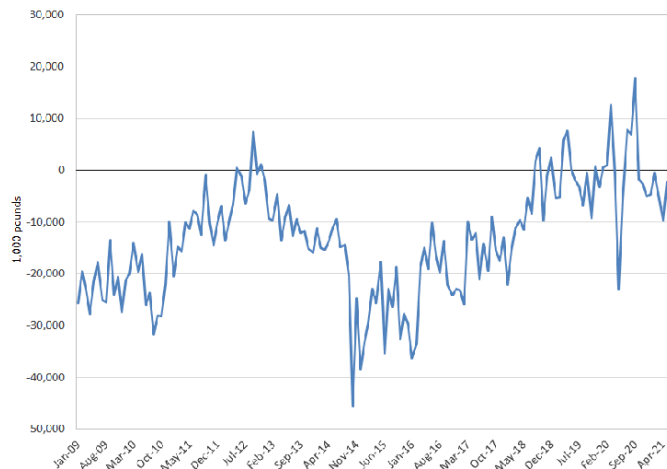
Total US Pork Exports to China*

Carcass Weight 1,000 pounds

*Includes Mainland, Hong Kong & Taiwan



US/CAN Net Trade: US Pork Exports To Less US Pork Imports From Canada



Weekly Hog Price Recap

Regional and national cash hogs declined daily, particularly mid-week. CME cash varied, starting the week with modest improvements before declining the balance of the week. Wholesale pork primals ended the week mixed however significant declines in bellies and picnics drove pork cutout \$6.25/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	27-Aug-21	Head	20-Aug-21		
ISM pm		\$101.47		\$103.30	-\$1.83	-1.8%
WCB pm		\$101.27		\$102.98	-\$1.70	-1.7%
Nat pm		\$95.91		\$98.21	-\$2.30	-2.3%
CME Index*		\$106.11		\$108.84	-\$2.73	-2.5%
Sows, 300-449lbs	12,188	\$87.31	11,846	\$86.82	\$0.49	0.6%
Sows, 500+ lbs	12,729	\$93.65	11,720	\$93.23	\$0.41	0.4%
BoC Exch		1.2639		1.2694	-0.0055	-0.4%

* Represents Friday-Thursday average

Canadian market hog values recorded notable declines again this past week. Hog values out of Ontario dropped \$8.75/hog, followed by those out of Hylife which fell more than \$7/hog. The ML Sig 4 was down \$4.25/hog, while hog values out of Quebec fell more than \$3.25/hog from a week earlier. The OlyW 21 declined \$2.75/hog, while the OlyW 20 was down more than \$1.25/hog, and the BP/TC edged \$0.50/hog lower. In the US, hog values out of Tyson fell near \$2.75/hog while JM declined \$3.50/hog from week ago levels.

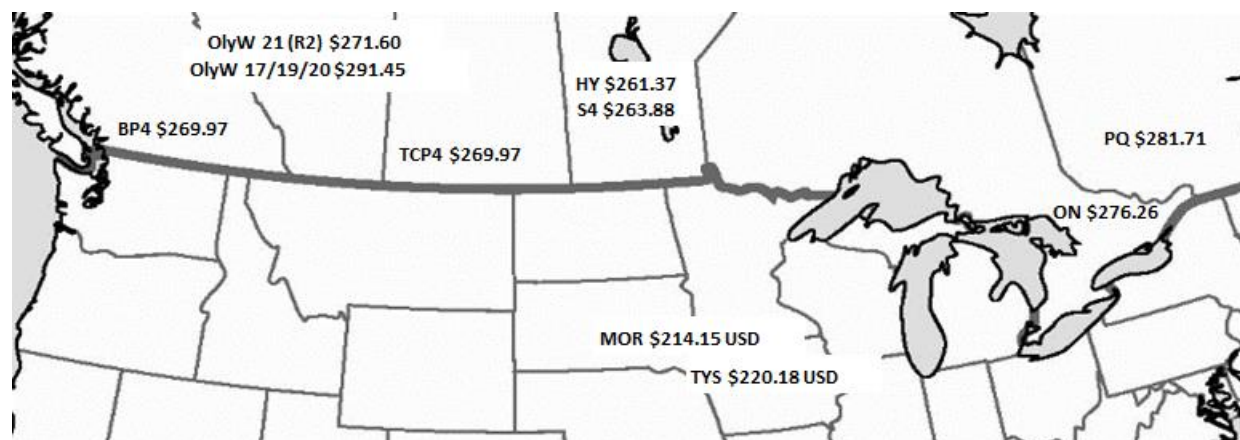
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 27-Aug-21	Difference to OlyW21
OlyW 2021 (R2)**	\$196.38		\$241.81		\$273.54		\$271.60	
OlyW 17/19/20*	\$189.51	-\$6.87	\$260.05	\$18.24	\$298.62	\$25.07	\$291.45	\$19.86
ML Sig 4	\$191.90	-\$4.48	\$241.24	-\$0.57	\$272.18	-\$1.37	\$263.88	-\$7.72
BP4/TCP4	\$192.87	-\$3.51	\$239.84	-\$1.98	\$274.08	\$0.53	\$269.97	-\$1.63
Hylife	\$196.58	\$0.19	\$243.28	\$1.46	\$271.92	-\$1.62	\$261.37	-\$10.23
Ontario***	\$191.23	-\$5.16	\$253.50	\$11.69	\$290.12	\$16.57	\$276.26	\$4.66
Québec	\$201.61	\$5.23	\$255.22	\$13.40	\$289.39	\$15.85	\$281.71	\$10.11
Tyson (USD)	\$141.20	-\$55.18	\$208.97	-\$32.85	\$243.08	-\$30.47	\$220.18	-\$51.41
John Morrell (USD)	\$134.40	-\$61.98	\$205.47	-\$36.34	\$238.76	-\$34.79	\$214.15	-\$57.44

*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, yet again pressured by lower hog and pork values however did receive some offset support from a decrease in feed costs. Canadian farrow-to-finish feed costs fell nearly \$1/hog while those in the monitored US region declined \$0.75/hog from a week earlier.

Hog margins out of the OlyW 20 weakened \$0.40 to \$91/hog profits, while those out of Quebec fell \$2.40 to \$80.20/hog profits and Ontario declined \$7.85 to \$75.10/hog profits. OlyW 21 margins were down \$1.75 to \$71.10/hog profits, ML Sig 4 margins weakened \$3.25 to \$66/hog profits, while Hylife dropped \$6.20 to \$63.55/hog profits. In the US, hog margins out of Tyson weakened \$1.40 to \$70.25/hog profits while JM margins were \$2.80 lower to \$66/hog profits.

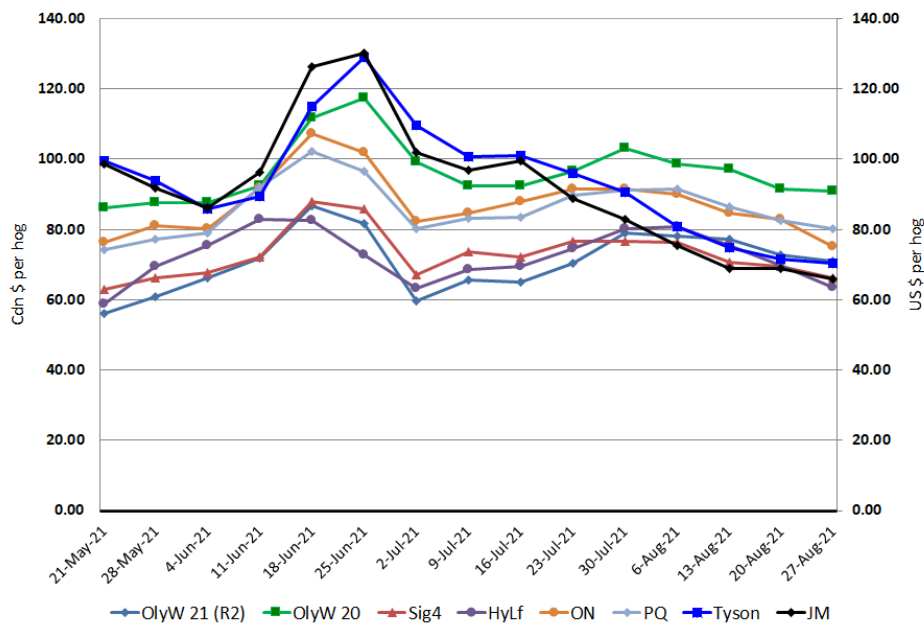
Regional MARGINS, \$/hog						
Packer/Region	27-Aug-21		Farrow to Finish		Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$291.45	\$140.99	\$39.45	\$20.05	\$200.49	\$90.96
OlyW 21 (R2)/Alberta	\$271.60	\$140.99	\$39.45	\$20.05	\$200.49	\$71.11
ML Sig 4/Manitoba	\$263.88	\$138.73	\$39.54	\$19.55	\$197.82	\$66.06
Hylife/Manitoba	\$261.37	\$138.74	\$39.54	\$19.55	\$197.83	\$63.54
Ontario	\$276.26	\$136.67	\$40.71	\$23.76	\$201.14	\$75.12
Québec	\$281.71	\$139.36	\$40.50	\$21.65	\$201.51	\$80.20
Tyson (USD)/Iowa	\$220.18	\$104.66	\$28.70	\$16.57	\$149.93	\$70.25
John Morrell (USD)/ND	\$214.15	\$102.93	\$28.70	\$16.57	\$148.20	\$65.95

* Feed costs standardized for a 285 pound market hog

Tyson: \$70.25 USD x 1.2617 = \$88.63 CAD

Morrell: \$65.95 USD x 1.2617 = \$83.21 CAD

Canadian & US Margins Last 13 weeks



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