



Weekly Regional HOG PRICE Report



Things to Consider....

September 7, 2021

Retail bacon prices rose 24 cents or +3.5% to \$7.10/lb, bringing retail values +27.6% or \$1.54 over year ago levels. Current retail bacon price levels are \$1.53 over the 3 year average for the month of August, and has reached a new historical high surpassing the previous high reached in July 2021 at \$6.86/lb.

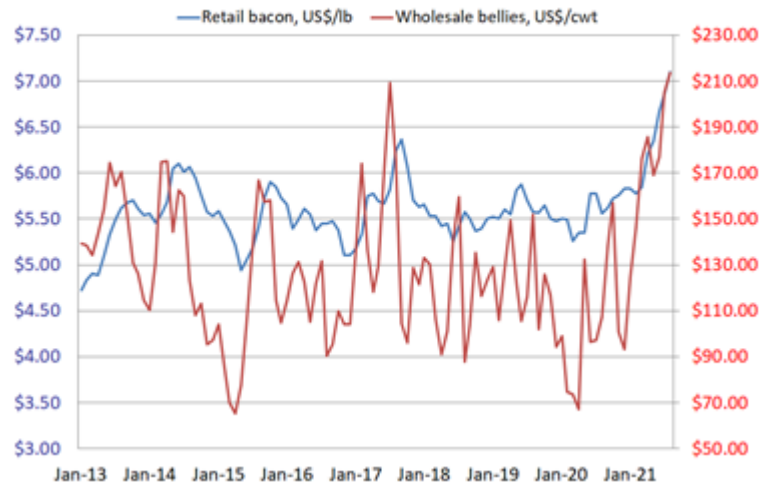
In comparison, wholesale belly prices rose +4.2% or \$8.54 to \$213.62/cwt for August and reached a new historical high, surpassing the previous record high of \$209.41 reach in July 2017. Compared to last year, bellies are up +98.8% or \$106.15 higher. All retail chops declined 2 cents or -0.6% to \$4.06/lb for August however was 27 cents or +7.1% over last year. Current retail price levels are 56 cents over the 3 year average for the month of August. Boneless chops edged 1 cent higher or +0.3% to \$4.47/lb, bringing boneless chops +2.9% or \$0.13 over last year. Bone-in chops edged modestly higher, up less than half a cent or +0.1% to \$4.33/lb, bringing the cut also +6.6% or 27 cents over year ago levels. Wholesale loins were up \$6.62 to \$116.16/cwt or +6.0% higher than the previous month, and +62.9% or \$44.86/cwt over last year.

All retail hams climbed 4 cents or +1.0% to \$3.75/lb for August, with no year-over-year comparison. Current retail price levels are 49 cents over the 3 year average for the month of August. Boneless ham values edged 2 cents higher or +0.3% to \$4.68/lb for August, bringing them 5 cents or +1.1% over last year. Wholesale ham prices averaged \$85.82/cwt which was down \$16.32/cwt or -16.0% from July and \$27.68/cwt or +47.6% over year ago levels.

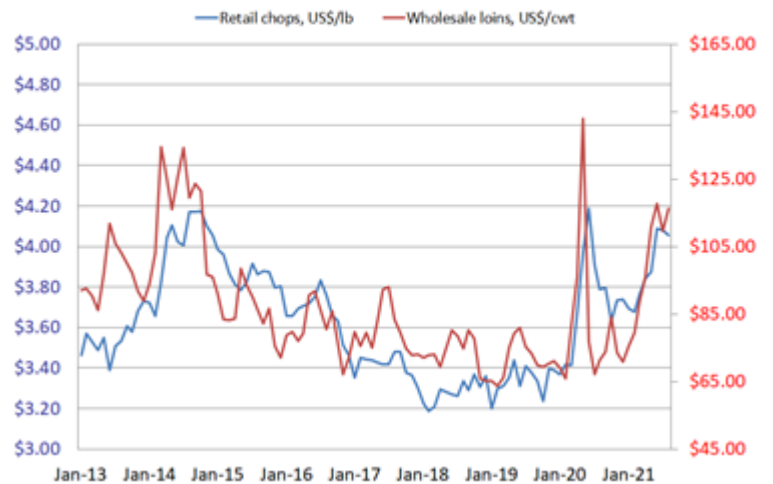
The category reporting other retail pork prices declined 9 cents or -2.5% to \$3.47/lb, slipping from the new historical high reached on the previous report to the second highest historically. Current levels are 70 cents over the 3-year average for the month of August.

Meat values, both retail and wholesale remain historically firm however seasonal pressures have played a major role in forward pricing over the last week to 10 days. Signs of technical support appear to be surfacing which could provide a near-term bottom to hog futures over the coming weeks.

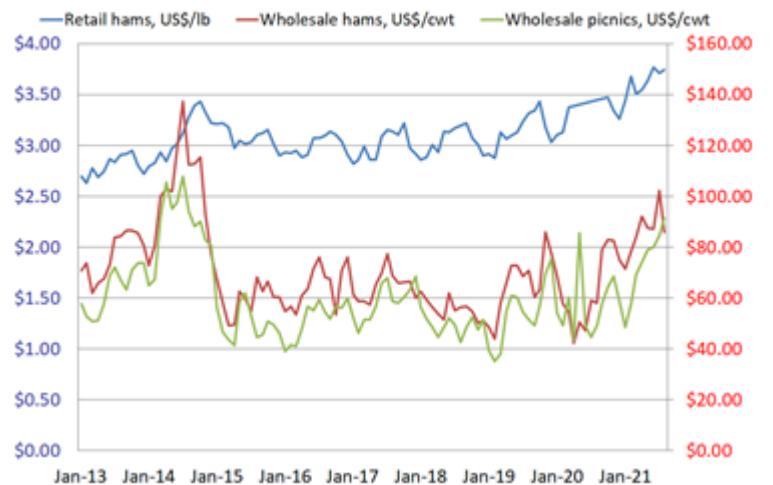
Retail Bacon VS Wholesale Bellies



Retail Chops VS Wholesale Loins



Retail Hams VS Wholesale Hams/Picnics



Weekly Hog Price Recap

Cash hogs declined daily again the past week, with regional cash down the most Tuesday while national cash was pressured more Wednesday. CME cash declined most of the week, with heavier pressure on prices late-week. Wholesale pork primals fell, particularly bellies, ribs and loins, which weighed pork cutout \$4.96/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	3-Sep-21	Head	27-Aug-21		
ISM pm		\$96.00		\$101.47	-\$5.46	-5.4%
WCB pm		\$95.84		\$101.27	-\$5.43	-5.4%
Nat pm		\$92.34		\$95.91	-\$3.57	-3.7%
CME Index*		\$102.23		\$106.11	-\$3.88	-3.7%
Sows, 300-449lbs	12,067	\$86.06	12,188	\$87.31	-\$1.25	-1.4%
Sows, 500+ lbs	12,083	\$91.75	12,729	\$93.65	-\$1.90	-2.0%
BoC Exch		1.2584		1.2639	-0.0055	-0.4%

* Represents Friday-Thursday average

Canadian market hog values dropped as much as \$12/hog on the week, with those out of Quebec were down the most. The OlyW 20 was down \$11.75/hog, while Ontario hog values fell \$11/hog and the OlyW 21 declined near \$10.50/hog. Hylife was down more than \$9.75/hog, while the ML Sig 4 was declined \$8.50/hog and the BP/TC was down \$4.25/hog from a week earlier. In the US, hog values out of Tyson fell \$9.50/hog while JM declined \$11.25/hog from week ago levels.

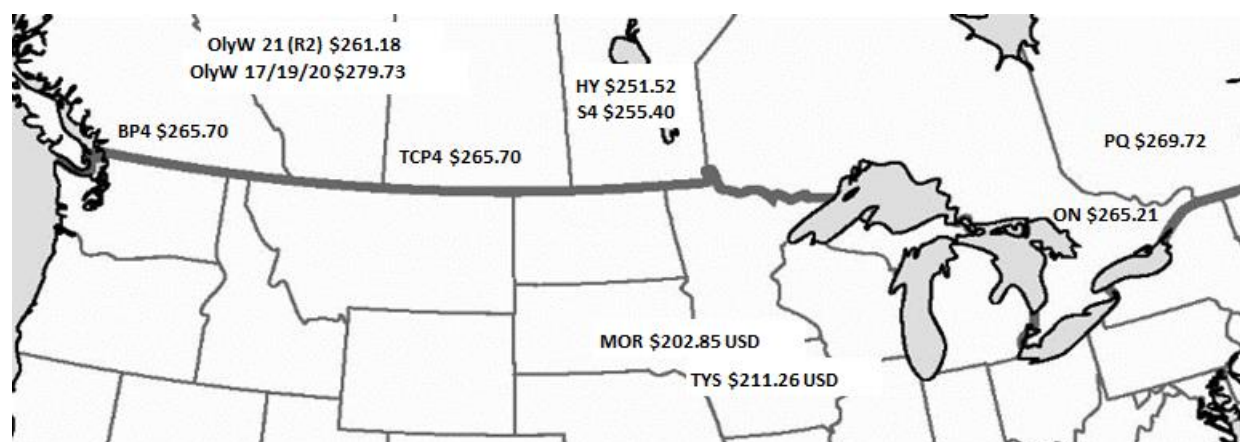
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 3-Sep-21	Difference to OlyW21
OlyW 2021 (R2)**	\$197.04		\$242.35		\$272.85		\$261.18	
OlyW 17/19/20*	\$190.37	-\$6.67	\$260.61	\$18.26	\$297.71	\$24.86	\$279.73	\$18.55
ML Sig 4	\$192.61	-\$4.44	\$241.65	-\$0.71	\$271.15	-\$1.70	\$255.40	-\$5.78
BP4/TCP4	\$193.55	-\$3.49	\$240.58	-\$1.78	\$274.11	\$1.26	\$265.70	\$4.52
Hylife	\$197.16	\$0.12	\$243.44	\$1.08	\$270.00	-\$2.85	\$251.52	-\$9.66
Ontario***	\$192.05	-\$5.00	\$253.84	\$11.48	\$288.62	\$15.76	\$265.21	\$4.03
Québec	\$202.44	\$5.39	\$255.63	\$13.28	\$288.31	\$15.46	\$269.72	\$8.54
Tyson (USD)	\$141.92	-\$55.13	\$209.05	-\$33.31	\$240.95	-\$31.90	\$211.26	-\$49.91
John Morrell (USD)	\$135.16	-\$61.89	\$205.40	-\$36.95	\$236.11	-\$36.74	\$202.85	-\$58.33

*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

Hog margins continue to weakened amid lower hog and pork values however did receive some offset support from a decrease in feed costs. Canadian farrow-to-finish feed costs fell \$2/hog while those in the monitored US region declined \$0.75/hog from a week earlier.

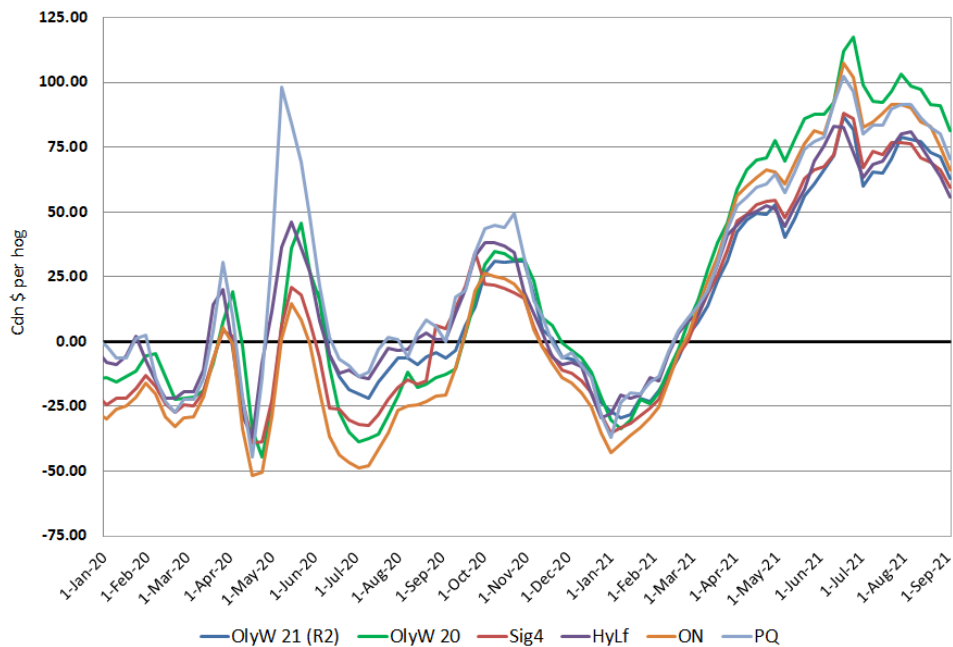
Hog margins out of the OlyW 20 weakened \$9.70 to \$81.25/hog profits, while those out of Quebec fell \$10 to \$70.25/hog profits and Ontario declined \$9 to more than \$66/hog profits. OlyW 21 margins were down \$8.35 to \$62.75/hog profits, ML Sig 4 margins weakened \$6.45 to \$59.50/hog profits, and Hylife dropped \$7.80 to \$55.75/hog profits. In the US, hog margins out of Tyson weakened \$8.15 to \$62/hog profits while JM margins were \$10.55 lower to nearly \$55.50/hog profits.

Regional MARGINS, \$/hog						
Packer/Region	3-Sep-21	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$279.73	\$138.95	\$39.45	\$20.05	\$198.45	\$81.28
OlyW 21 (R2)/Alberta	\$261.18	\$138.95	\$39.45	\$20.05	\$198.45	\$62.73
ML Sig 4/Manitoba	\$255.40	\$136.69	\$39.54	\$19.55	\$195.78	\$59.62
Hylife/Manitoba	\$251.52	\$136.70	\$39.54	\$19.55	\$195.79	\$55.73
Ontario	\$265.21	\$134.63	\$40.71	\$23.76	\$199.10	\$66.11
Québec	\$269.72	\$137.32	\$40.50	\$21.65	\$199.47	\$70.25
Tyson (USD)/Iowa	\$211.26	\$103.91	\$28.70	\$16.57	\$149.18	\$62.08
John Morrell (USD)/ND	\$202.85	\$102.18	\$28.70	\$16.57	\$147.45	\$55.40

* Feed costs standardized for a 285 pound market hog

Tyson: \$62.08 USD x 1.2621 = \$78.35 CAD
 Morrell: \$55.40 USD x 1.2621 = \$69.92 CAD

Canadian Margins 2020-2021



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