



# Weekly Regional HOG PRICE Report



## Things to Consider....

September 28, 2021

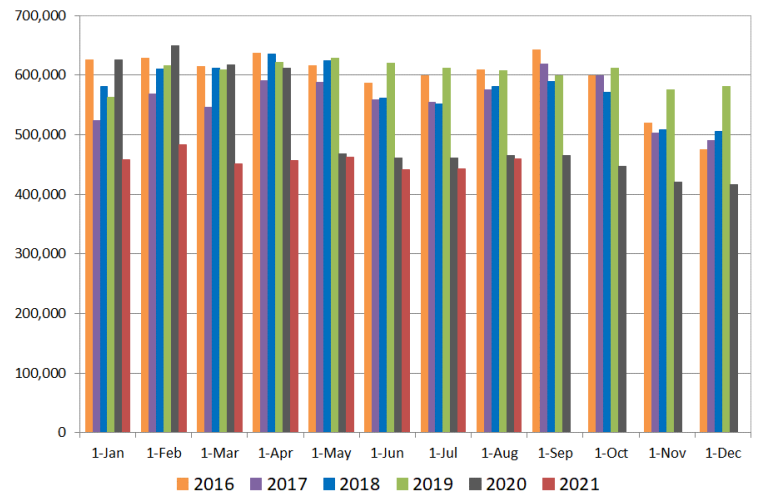
In the latest report US Cold Storage reported pork stocks at 460.1 million pounds for August, which is down 4.9 million pounds or -1.0% under last year. The latest stocks reported were up +4.0% or 17.7 million pounds from July, largely due to the seasonal climb of hams in storage. For reference, total pork in cold storage for July was revised lower from 443.1 to 442.4 million pounds.

Total hams in cold storage rose 33.1 million pounds or +21.7% from last reported, with bone-ins up twice as much as the boneless variety. Hams in cold storage typically climb from March through September, and compared to year ago levels are +29.0% or up 41.8 million pounds. Other categories reported more modest increases from the levels recorded in July, such as butts which were up 1.9 million pounds or +16.5% higher and trimmings which climbed +3.8% or 1.4 million pounds higher. Bone-in picnics were up +17.0% or 785 thousand pounds higher, while total loins climbed +1.5% or 467 thousand pounds.

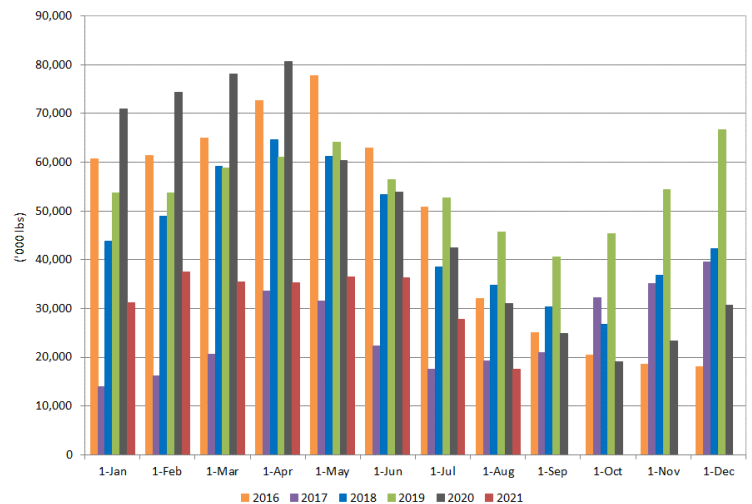
Offsetting a good portion of the overall increases were significant declines in bellies and spare-ribs as well as other, variety and unclassified pork categories. Bellies in cold storage dropped 10.3 million pounds or -37.0% from July levels, bringing current stocks 13.6 million pounds or -43.7% under year ago levels. Spare-ribs declined 4.7 million pounds or -7.7% for August, with ribs -9.8% or 6.1 million pounds under last year. Other Pork declined 3.3 million pounds or -6.3% from July, down -7.8% or 4.2 million pounds from last year.

US Pork in Cold Storage					
('000 lbs)	Aug-21	Jul-21	Aug-20	M/M %	Y/Y %
Picnics	5,408	4,623	7,972	17.0%	-32.2%
Hams	185,697	152,613	143,909	21.7%	29.0%
Bellies	17,469	27,722	31,053	-37.0%	-43.7%
Loins	31,743	31,276	40,317	1.5%	-21.3%
Ribs	56,544	61,249	62,655	-7.7%	-9.8%
Butts	13,034	11,184	14,347	16.5%	-9.2%
Trimmings	37,293	35,929	37,771	3.8%	-1.3%
Other	49,478	52,814	53,672	-6.3%	-7.8%
<b>Total Pork</b>	<b>460,059</b>	<b>442,390</b>	<b>464,919</b>	<b>4.0%</b>	<b>-1.0%</b>

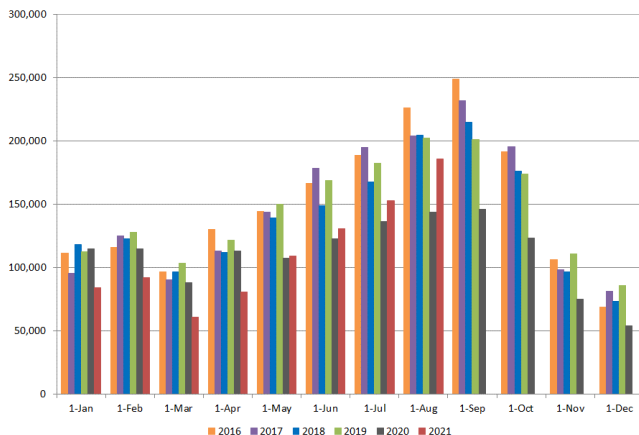
US Pork in Cold Storage ('000 Lbs)



Cold Storage - Bellies



Cold Storage - Total Hams ('000 lbs)



# Weekly Hog Price Recap

Regional and national cash hogs fell throughout the week with heavier declines recorded mid-week and Friday down the least. CME cash also fell daily, however more moderately in comparison. Wholesale pork primals were mixed with bellies, ribs and hams helping pork cutout rise \$0.85/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	24-Sep-21	Head	17-Sep-21		
ISM pm		\$80.22		\$86.87	-\$6.65	-7.7%
WCB pm		\$79.88		\$86.74	-\$6.86	-7.9%
Nat pm		\$79.82		\$85.17	-\$5.36	-6.3%
CME Index*		\$92.72		\$95.65	-\$2.93	-3.1%
Sows, 300-449lbs	11,261	\$69.56	11,983	\$76.79	-\$7.23	-9.4%
Sows, 500+ lbs	11,932	\$78.02	10,949	\$84.05	-\$6.04	-7.2%
BoC Exch		1.2744		1.2674	0.0070	0.6%

\* Represents Friday-Thursday average

Canadian market hog values generally declined \$5-\$6 per hog, with those including lagged base pricing down more than other markets. Only Hylife improved, up \$0.75/hog from a week earlier. The OlyW 20 fell \$8/hog while the OlyW 21 and hog values out Ontario fell \$6/hog, closely followed by the BP/TC which declined \$5.75/hog. The ML Sig 4 was down \$4.75/hog and hog values out of Quebec fell \$4.25/hog. In the US, hog values out of Tyson fell \$10.50/hog while JM dropped \$14.25/hog from week ago levels.

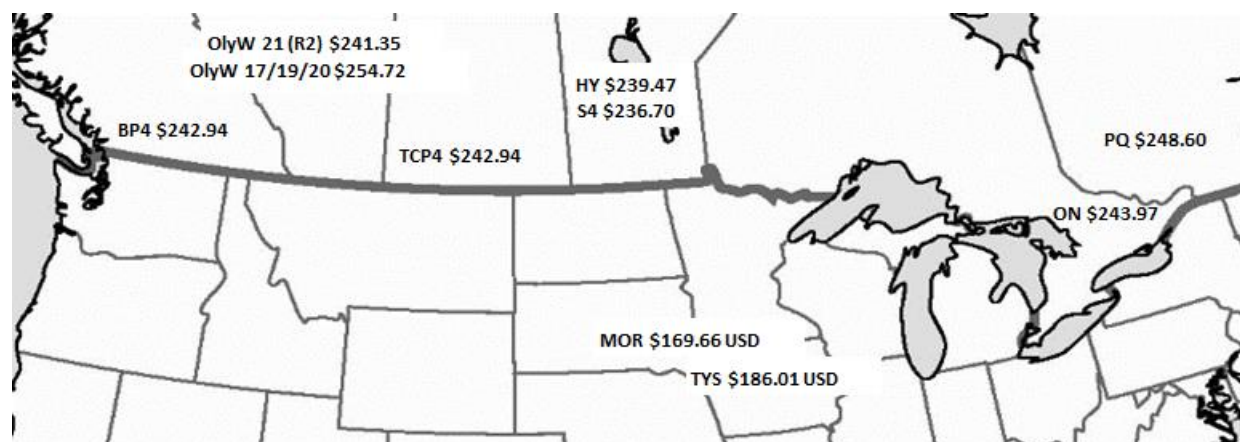
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 24-Sep-21	Difference to OlyW21
OlyW 2021 (R2)**	\$198.79		\$242.65		\$264.77		\$241.35	
OlyW 17/19/20*	\$192.69	-\$6.10	\$260.72	\$18.07	\$286.90	\$22.13	\$254.72	\$13.37
ML Sig 4	\$194.57	-\$4.23	\$241.66	-\$0.99	\$262.12	-\$2.65	\$236.70	-\$4.64
BP4/TCP4	\$195.20	-\$3.59	\$241.29	-\$1.36	\$267.43	\$2.66	\$242.94	\$1.59
Hylife	\$198.68	-\$0.11	\$243.09	\$0.44	\$261.35	-\$3.42	\$239.47	-\$1.88
Ontario***	\$194.34	-\$4.45	\$253.56	\$10.92	\$276.56	\$11.79	\$243.97	\$2.62
Québec	\$204.84	\$6.05	\$255.45	\$12.80	\$277.67	\$12.90	\$248.60	\$7.25
Tyson (USD)	\$143.87	-\$54.92	\$208.03	-\$34.62	\$225.75	-\$39.02	\$186.01	-\$55.34
John Morrell (USD)	\$136.93	-\$61.86	\$203.60	-\$39.04	\$216.84	-\$47.93	\$169.66	-\$71.69

\*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 weaken overall on significant declines in market values. Feeds costs influenced margins more moderately on the week, with Canadian farrow-to-finish feed costs up \$0.25/hog while those in the monitored US region were down \$0.25/hog.

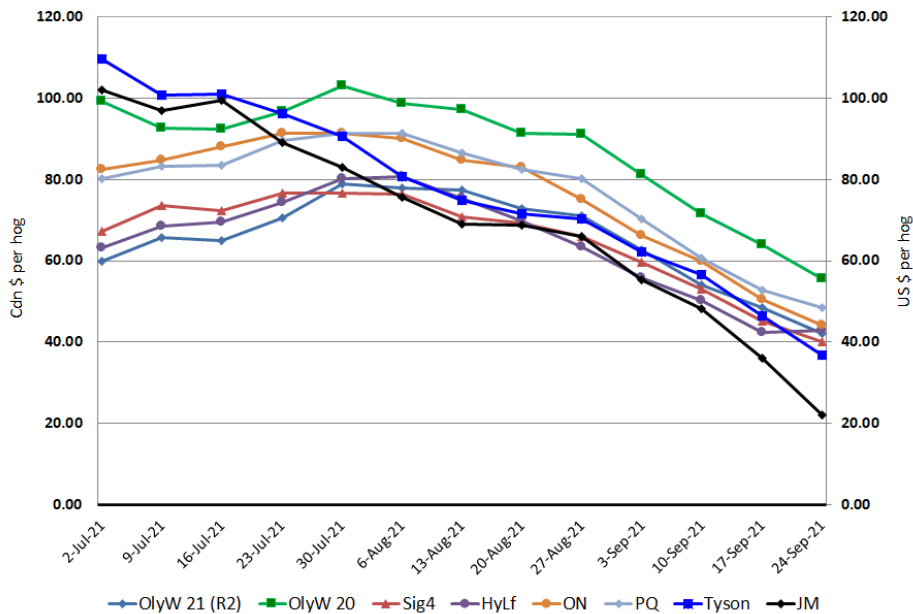
Hog margins out of the OlyW 20 weakened more than \$8.25 to \$55.50/hog profits. Margins out of Quebec were down \$4.50 to more than \$48.25/hog profits and Ontario weakened \$6.25 to more than \$44/hog profits. Hylife margins improved on the week, strengthening \$0.50 to \$43/hog profits. OlyW 21 margins declined \$6.25/hog to more than \$42/hog profits, while ML Sig 4 margins weakened \$5 to more than \$40/hog profits. In the US, hog margins out of Tyson weakened \$9.75 to \$36.75/hog profits while JM margins were \$14 lower to \$22/hog profits.

Regional MARGINS, \$/hog						
Packer/Region	24-Sep-21	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$254.72	\$139.70	\$39.45	\$20.05	\$199.20	\$55.52
OlyW 21 (R2)/Alberta	\$241.35	\$139.70	\$39.45	\$20.05	\$199.20	\$42.15
ML Sig 4/Manitoba	\$236.70	\$137.44	\$39.54	\$19.55	\$196.53	\$40.17
Hylife/Manitoba	\$239.47	\$137.45	\$39.54	\$19.55	\$196.54	\$42.93
Ontario	\$243.97	\$135.38	\$40.71	\$23.76	\$199.85	\$44.12
Québec	\$248.60	\$138.07	\$40.50	\$21.65	\$200.22	\$48.38
Tyson (USD)/Iowa	\$186.01	\$104.04	\$28.70	\$16.57	\$149.31	\$36.70
John Morrell (USD)/ND	\$169.66	\$102.31	\$28.70	\$16.57	\$147.58	\$22.08

\* Feed costs standardized for a 285 pound market hog

Tyson: \$36.70 USD x 1.268 = \$46.54 CAD  
 Morrell: \$22.08 USD x 1.268 = \$28.00 CAD

## Canadian & US Margins Last 13 weeks



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