



Weekly Regional HOG PRICE Report



Things to Consider....

November 2, 2021

The latest USDA data tallying US livestock and meat trade was released Friday, November 5th. Total US pork exports fell 15.8 million pounds or -3.0% from last reported, and was down 35.1 million pounds or -6.4% from year ago levels. Notably, total US pork imports for September reached a new high historically at 109.7 million pounds, marginally higher than the high reached the month previous at 109.3 million pounds.

US pork to Japan declined the most in the month of September, dropping 13.6 million pounds. Pork to mainland China fell 5.6 million pounds while Hong Kong slipped 792 thousand pounds and Taiwan edged 174 thousand pounds lower for an adjusted China* decline of 6.6 million pounds. Pork to China* accounted for 10.6% of the total monthly US pork export volume for September, compared to 11.5% in August and 21.9% on the 12-month average. The Philippines, Colombia, Dominican Republic and South Korea recorded more moderate declines, with each country generally 2-3 million pounds lower. Notably, the Philippines slipped to low levels for this time seasonally compared to more recent historical years, while US pork being exported to the Colombia and the Dominican Republic are considered strong historically.

Offsetting some of these declines were increases to Canada primarily, which rose 13.5 million pounds, however Mexico recorded a moderate 1.2 million pound increase on the month. US pork to Canada accounted for 11.1% of the total monthly US volume for September, which is 3% above the 12-month average. Notably, the US imported 13.2 million pounds more pork from Canada than it exported to the country for the month of September.

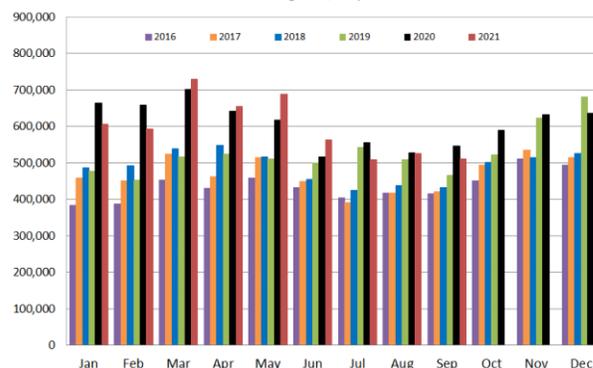
As the recent data illustrates, US pork exports abroad are down roughly 1% year to date compared to the same months in 2020. However, US pork imports are significantly higher which confirms strong domestic demand and the need for more product to satisfy domestic needs. Lower exports to other major buying nations around the world should not be viewed as a major negative to market pricing. Rather the difference between imports and exports confirms the requirement of more pork needed both around the world and domestically in the US.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Sep-20	Aug-21	Sep-21	M/M%	Y/Y%	YTD/LYTD%
Australia	18,717	10,653	9,618	-9.7%	-48.6%	-17.3%
Canada	59,953	43,329	56,838	31.2%	-5.2%	-0.9%
China*	129,599	60,660	54,082	-10.8%	-58.3%	-37.8%
Colombia	13,414	24,702	22,154	-10.3%	65.2%	54.6%
Japan	94,927	101,442	87,888	-13.4%	-7.4%	6.3%
Mexico	128,746	187,888	189,051	0.6%	46.8%	29.7%
South Korea	28,143	29,561	27,354	-7.5%	-2.8%	5.0%
All US Pork Exports	545,223	525,931	510,147	-3.0%	-6.4%	-0.9%

*Includes Mainland, Hong Kong & Taiwan

Total US Pork Exports

Carcass Weight 1,000 pounds

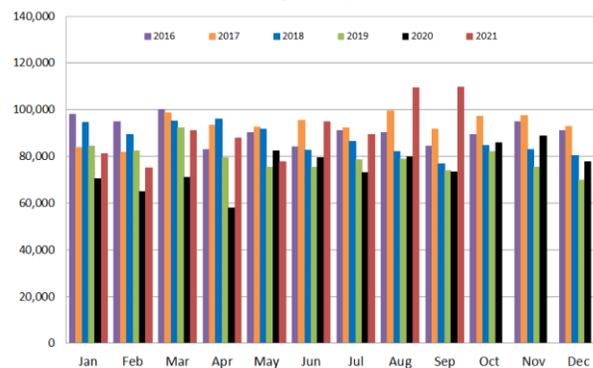


US/CAN Net Trade: US Pork Exports To Less US Pork Imports From Canada



Total US Pork Imports

Carcass Weight 1,000 pounds



Weekly Hog Price Recap

Cash hogs faced another week of significant declines. National cash was down near daily while regional cash fell for the better part of the week with improvement days up only modestly. CME cash fell daily, down \$0.75-\$1/cwt throughout the majority of the week. Wholesale pork values were mixed, however heavier declines in bellies and butts weighed on pork cutout. US pork cutout slipped \$1.75/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	29-Oct-21	Head	22-Oct-21		
ISM pm		\$64.08		\$67.77	-\$3.68	-5.4%
WCB pm		\$64.04		\$67.66	-\$3.62	-5.4%
Nat pm		\$62.98		\$66.44	-\$3.46	-5.2%
CME Index*		\$81.58		\$85.59	-\$4.01	-4.7%
Sows, 300-449lbs	13,396	\$58.01	12,985	\$56.70	\$1.31	2.3%
Sows, 500+ lbs	11,871	\$64.51	13,146	\$63.22	\$1.29	2.0%
BoC Exch		1.2369		1.2354	0.0015	0.1%

* Represents Friday-Thursday average

Market hog values fell as much as \$12/hog this week, weighed on heavily by declines in cash hogs pricing and wholesale pork values. Quebec was yet again down the most compared to other monitored markets, down \$12/hog, followed by lagged pricing markets such as the OlyW 20 & 21 and the BP/TC which were each down \$11-\$11.50/hog from the week previous. Hog values out of Ontario fell nearly \$10/hog, while the ML Sig 4 and Hylife markets each declined \$8.50/hog. In the US, hog values out of Tyson fell more than \$5.25/hog while JM was down \$7.50/hog from week ago levels.

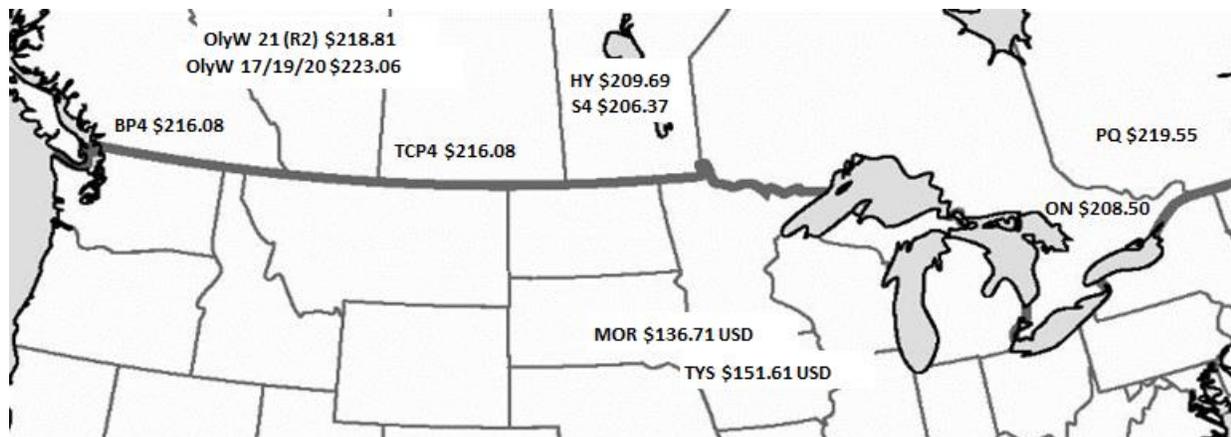
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 29-Oct-21	Difference to OlyW21
OlyW 2021 (R2)**	\$200.46		\$241.89		\$252.68		\$218.81	
OlyW 17/19/20*	\$194.87	-\$5.59	\$258.51	\$16.62	\$265.69	\$13.01	\$223.06	\$4.24
ML Sig 4	\$196.11	-\$4.35	\$239.55	-\$2.35	\$243.96	-\$8.72	\$206.37	-\$12.44
BP4/TCP4	\$197.00	-\$3.46	\$240.08	-\$1.81	\$250.61	-\$2.07	\$216.08	-\$2.73
Hylife	\$200.15	-\$0.32	\$241.74	-\$0.15	\$246.95	-\$5.73	\$209.69	-\$9.13
Ontario***	\$196.01	-\$4.46	\$250.66	\$8.76	\$253.54	\$0.86	\$208.50	-\$10.32
Québec	\$207.15	\$6.68	\$254.13	\$12.24	\$261.27	\$8.59	\$219.55	\$0.73
Tyson (USD)	\$144.74	-\$55.73	\$202.67	-\$39.23	\$192.85	-\$59.83	\$151.61	-\$67.20
John Morrell (USD)	\$137.41	-\$63.05	\$196.81	-\$45.09	\$179.32	-\$73.36	\$136.71	-\$82.10

*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

Monitored Canadian hog margins generally weakened more than \$12/hog in the last week, due to lower hog and pork values primarily however were also further pressured by another rise in feed costs. Canadian farrow-to-finish feed costs climbed \$2/hog while those in the monitored US region were up \$1.50/hog from a week earlier.

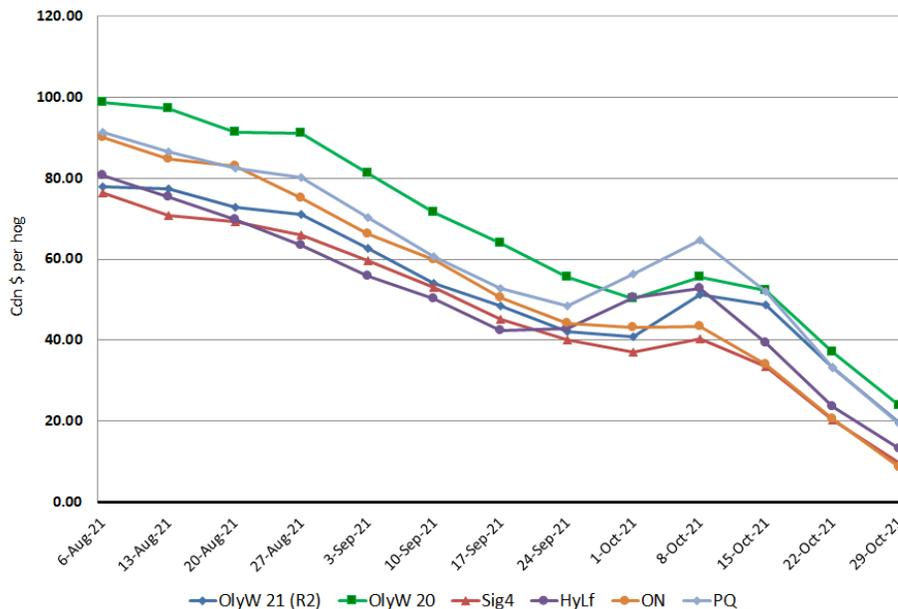
Hog margins out of the OlyW 20 weakened \$13.25 to more than \$23.75/hog profits, while the OlyW 21 was down near \$13.75 to \$19.50/hog profits and Quebec margins fell \$14 to \$19.25/hog profits. Hylife weakened shy of \$10.75 to more than \$13/hog profits, while Sig 4 margins declined \$10.65 to \$9.75/hog profits and Ontario was down \$12 to more than \$8.50/hog profits. In the US, hog margins out of Tyson weakened more than \$6.75 to \$0.35/hog profits while JM margins weakened \$9 to \$12.75/hog losses.

Regional MARGINS, \$/hog						
Packer/Region	29-Oct-21		Farrow to Finish		Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$223.06	\$139.74	\$39.45	\$20.05	\$199.24	\$23.82
OlyW 21 (R2)/Alberta	\$218.81	\$139.74	\$39.45	\$20.05	\$199.24	\$19.57
ML Sig 4/Manitoba	\$206.37	\$137.48	\$39.54	\$19.55	\$196.57	\$9.80
Hylife/Manitoba	\$209.69	\$137.49	\$39.54	\$19.55	\$196.58	\$13.11
Ontario	\$208.50	\$135.42	\$40.71	\$23.76	\$199.89	\$8.61
Québec	\$219.55	\$138.11	\$40.50	\$21.65	\$200.26	\$19.29
Tyson (USD)/Iowa	\$151.61	\$105.97	\$28.70	\$16.57	\$151.24	\$0.37
John Morrell (USD)/ND	\$136.71	\$104.24	\$28.70	\$16.57	\$149.51	-\$12.80

* Feed costs standardized for a 285 pound market hog

Tyson: \$0.37 USD x 1.2404 = \$0.46 CAD
 Morrell: \$(12.80) USD x 1.2404 = \$(15.88) CAD

Canadian Margins Last 13 weeks



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