



Weekly Regional HOG PRICE Report



Things to Consider....

November 9, 2021

Retail bacon prices in October climbed 10 cents or +1.3% to \$7.32/lb, recording a new historical high for the fifth consecutive month, bringing retail values +27.9% or \$1.60 over year ago levels. Current retail bacon price levels are \$1.74 over the 3 year average for the month of October.

In comparison, wholesale belly prices rose +8.3% from September or \$14.28 higher to \$185.96/cwt, with current values +18.5% or \$29.02 higher than this time last year.

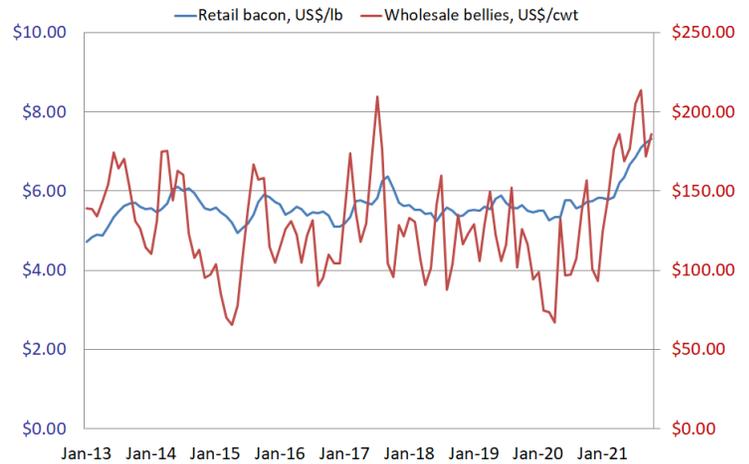
All retail chops were up 10 cents or +2.4% to \$4.15/lb for October, the highest recorded since June 2020 at \$4.19/lb, bringing the latest retail cut 52 cents or +14.2% over last year. Current retail price levels are 73 cents over the 3 year average for the month of October. Boneless chops climbed 10 cents higher or +2.3% to \$4.50/lb, bringing boneless chops +8.6% or 36 cents over last year. Bone-in chops rose 16 cents higher or +3.8% to \$4.39/lb, bringing the cut +11.3% or 45 cents over year ago levels.

Wholesale loins dropped \$8.81 to \$102.07/cwt or -7.9% under the previous month, however remains strong compared to year ago levels, up +21.1% or \$17.80/cwt over last year.

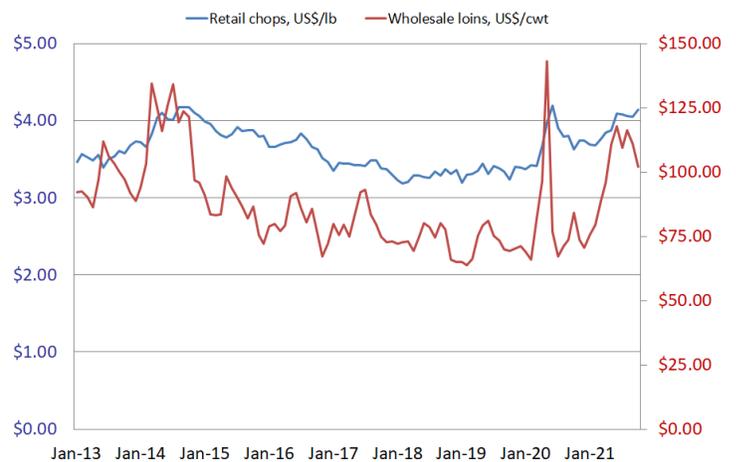
All retail hams climbed 9 cents or +2.3% to \$3.92/lb for October, a new historical high surpassing the one recorded in September, bringing hams 44 cents or +12.8% over year ago levels. Current retail price levels are 59 cents over the 3 year average for the month of October. Boneless ham values climbed 12 cents higher or +2.4% to \$4.96/lb on the month, bringing the cut 41 cents or +8.9% over last year.

Wholesale ham prices averaged \$72.55/cwt which was down \$9.43 or -11.5% from September and \$10.29 lower or -12.4% under year ago levels. For comparison wholesale picnics averaged \$72.46/cwt, down \$8.38 or -10.4% from September however up \$8.30 or +12.9% over last year.

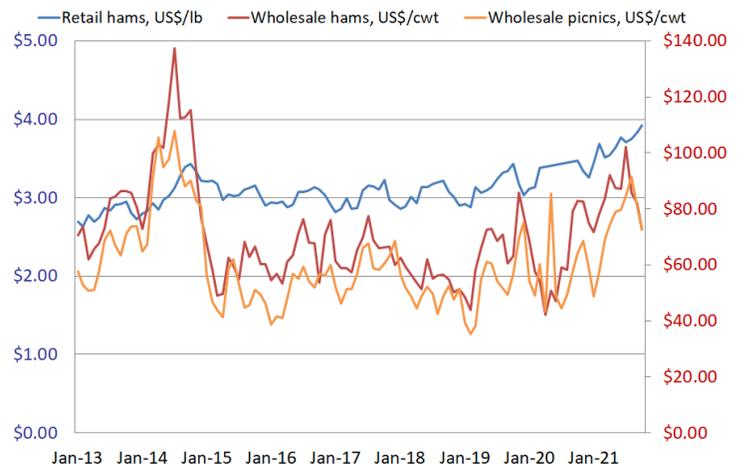
Retail Bacon VS Wholesale Bellies



Retail Chops VS Wholesale Loins



Retail Hams VS Wholesale Hams/Picnics



Weekly Hog Price Recap

Cash hogs slide throughout much of the week, however regional and national cash managed to record modest to moderate improvement Friday. CME cash moved similarly to cash hogs, down daily excluding Friday. Most wholesale pork values rose from week ago levels, excluding loins, which supported US pork cutout slipped \$1.64/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	5-Nov-21	Head	29-Oct-21		
ISM pm		\$61.40		\$64.08	-\$2.68	-4.2%
WCB pm		\$61.36		\$64.04	-\$2.68	-4.2%
Nat pm		\$60.48		\$62.98	-\$2.49	-4.0%
CME Index*		\$78.78		\$81.58	-\$2.80	-3.4%
Sows, 300-449lbs	13,433	\$62.17	13,396	\$58.06	\$4.11	7.1%
Sows, 500+ lbs	12,528	\$68.12	11,871	\$64.49	\$3.63	5.6%
BoC Exch		1.2418		1.2369	0.0049	0.4%

* Represents Friday-Thursday average

Most market hog values declined, however more moderately than recorded in more recent weeks. Lagged-base priced markets were down the most, with the OlyW 20 down \$9.25/hog, followed by BP/TC which fell closer to \$8.75/hog and the OlyW 21 was down near \$8.25/hog. The ML Sig 4 declined more than \$5.75/hog, while Ontario hog values were down more than \$5.25/hog. Hog values out of Quebec slipped \$0.75/hog from a week earlier, while Hylife improved close to \$2.25/hog. In the US, hog values out of Tyson declined nearly \$7.75/hog while JM was down \$5.50/hog from week ago levels.

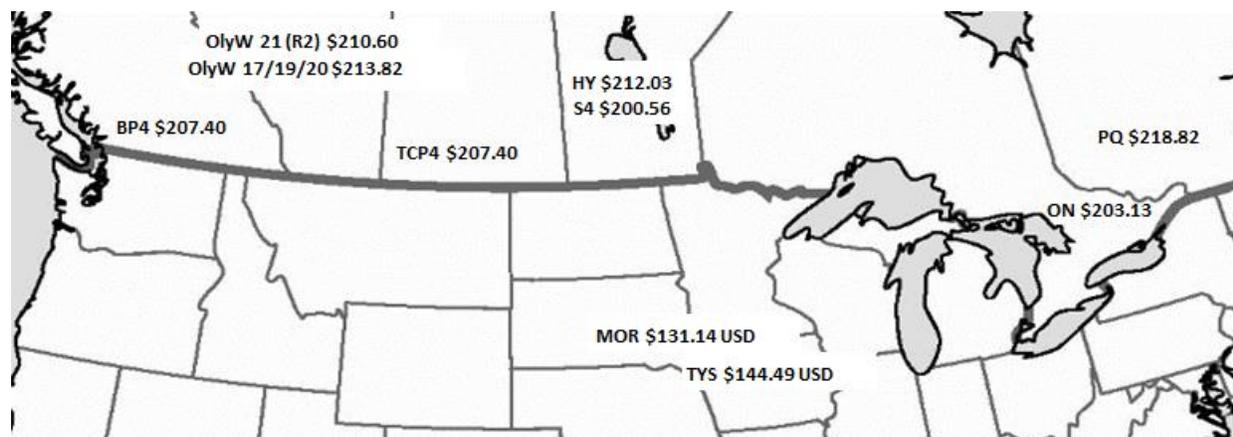
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 5-Nov-21	Difference to OlyW21
OlyW 2021 (R2)**	\$200.62		\$241.17		\$247.58		\$210.60	
OlyW 17/19/20*	\$195.16	-\$5.45	\$257.50	\$16.33	\$259.24	\$11.66	\$213.82	\$3.22
ML Sig 4	\$196.25	-\$4.36	\$238.66	-\$2.51	\$238.42	-\$9.16	\$200.56	-\$10.04
BP4/TCP4	\$197.15	-\$3.47	\$239.34	-\$1.83	\$245.50	-\$2.08	\$207.40	-\$3.20
Hylife	\$200.34	-\$0.28	\$241.11	-\$0.06	\$241.96	-\$5.63	\$212.03	\$1.43
Ontario***	\$196.17	-\$4.45	\$249.58	\$8.41	\$246.89	-\$0.69	\$203.13	-\$7.47
Québec	\$207.40	\$6.78	\$253.33	\$12.16	\$255.69	\$8.11	\$218.82	\$8.22
Tyson (USD)	\$144.82	-\$55.79	\$201.36	-\$39.81	\$186.39	-\$61.19	\$144.49	-\$66.11
John Morrell (USD)	\$137.47	-\$63.15	\$195.32	-\$45.86	\$172.77	-\$74.81	\$131.14	-\$79.46

*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 hog margins generally weakened on continued pressure from lower hog values and rising feed costs. Canadian farrow-to-finish feed costs climbed \$1.75/hog while those in the monitored US region were up more than \$0.25/hog from a week earlier.

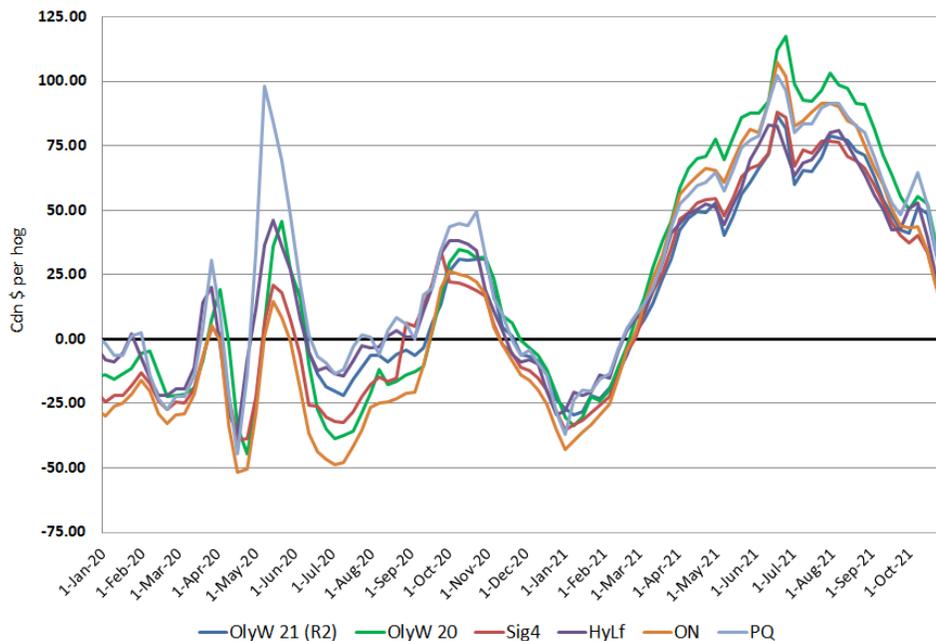
Hog margins out of the Quebec weakened \$2.50 to \$16.75/hog profits, while Hylife's improved \$0.50 to nearly \$13.75/hog profits. OlyW 20 margins weakened \$11 to \$12.75/hog profits, while OlyW 21 margins declined \$10 to more than \$9.50/hog profits. ML Sig 4 margins weakened \$7.50 to \$2.25/hog profits, while those out of Ontario were down more than \$7 to \$1.50/hog profits. In the US, both monitored margins have slipped to losses with Tyson hog margins weakening \$8 to \$7/hog losses while JM margins were down shy of \$6 to more than \$18.50/hog losses.

Regional MARGINS, \$/hog						
Packer/Region	5-Nov-21	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$213.82	\$141.50	\$39.45	\$20.05	\$201.00	\$12.82
OlyW 21 (R2)/Alberta	\$210.60	\$141.50	\$39.45	\$20.05	\$201.00	\$9.60
ML Sig 4/Manitoba	\$200.56	\$139.24	\$39.54	\$19.55	\$198.33	\$2.23
Hylife/Manitoba	\$212.03	\$139.25	\$39.54	\$19.55	\$198.34	\$13.69
Ontario	\$203.13	\$137.18	\$40.71	\$23.76	\$201.65	\$1.48
Québec	\$218.82	\$139.87	\$40.50	\$21.65	\$202.02	\$16.80
Tyson (USD)/Iowa	\$144.49	\$106.29	\$28.70	\$16.57	\$151.56	-\$7.07
John Morrell (USD)/ND	\$131.14	\$104.56	\$28.70	\$16.57	\$149.83	-\$18.69

* Feed costs standardized for a 285 pound market hog

Tyson: **\$(7.07)** USD x 1.2448 = **\$(8.80)** CAD
 Morrell: **\$(18.69)** USD x 1.2448 = **\$(23.27)** CAD

Canadian Margins 2020-2021



Disclaimer: Commodity Professionals Inc. presents this report as a snapshot of the market using current information available at the time of the report. These findings are for informational purposes only and should not be reproduced or transmitted by any means without permission. Commodity Professionals Inc. does not guarantee, and accepts no legal liability arising from or connected to, the accuracy, reliability, or completeness of any material contained in the publication.