



# Weekly Regional HOG PRICE Report



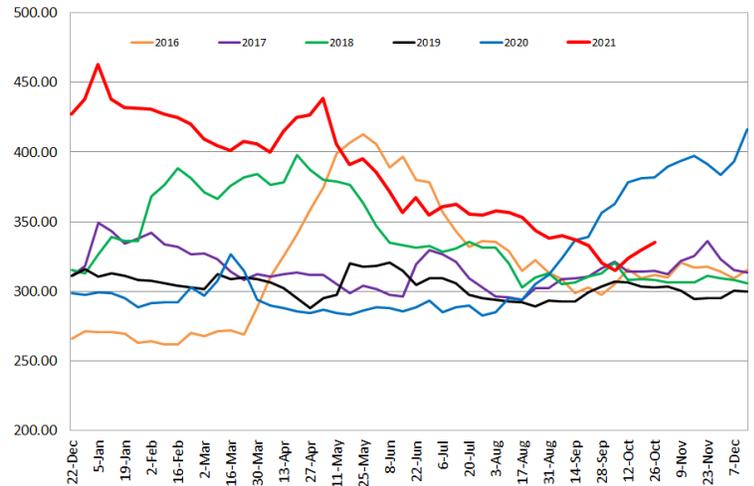
## Things to Consider....

October 26, 2021

With the recent release of the November WASDE report, soybean and soymeal futures have added to recent strength continuing to bounce off the low established in mid-October (13<sup>th</sup>). Within the November Supply/Demand report was nothing overly surprising other than a slight decline in estimated yield which decreased production by 23 million bushels from the October report. The drop in production however was easily offset by a 40 million bushels decline in export projections resulting in a positive influence on ending stocks of 20 million bushels.

Seasonally, as shown in the Weekly Nearby futures graph, October and early November have proven to be a potentially rewarding time of the year to purchase protein requirements and so far, based on market activity it appears 2021 is following a similar pattern. With the low of the futures market around \$318 US per short ton, and spot cash very similar, hog producers looking to extend feed protection for the rest of 2021 and into 2022 should use that value as a gauge for adding to existing coverage. Producers without any protein coverage should consider protection on any move of the soymeal futures below \$330 US per short ton or lower would represent pricing in the bottom 15% of the current \$80 US range.

CBOT Soybean Meal Futures - Weekly Nearby



March 2022 Soymeal

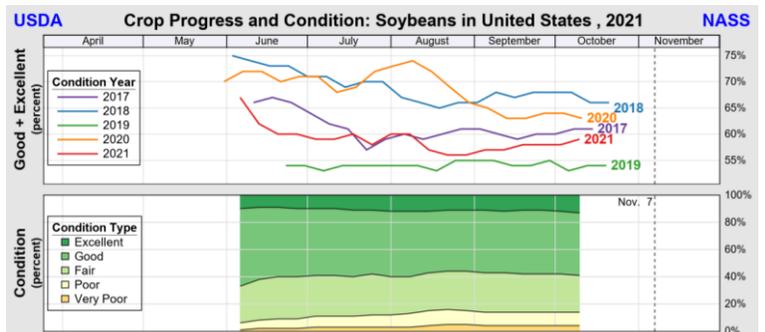


WASDE - 618 - 15

November 2021

U.S. Soybeans and Products Supply and Use (Domestic Measure) 1/

SOYBEANS	2019/20	2020/21 Est.	2021/22 Proj. Oct	2021/22 Proj. Nov
Area Planted	76.1	83.4	87.2	87.2
Area Harvested	74.9	82.6	86.4	86.4
Yield per Harvested Acre	47.4	51.0	51.5	51.2
Beginning Stocks	909	525	256	256
Production	3,552	4,216	4,448	4,425
Imports	15	20	15	15
Supply, Total	4,476	4,761	4,719	4,696
Crushings	2,165	2,141	2,190	2,190
Exports	1,679	2,265	2,090	2,050
Seed	97	101	104	102
Residual	11	-3	15	15
Use, Total	3,952	4,505	4,399	4,356
Ending Stocks	525	256	320	340
Avg. Farm Price (\$/bu) 2/	8.57	10.80	12.35	12.10
SOYBEAN MEAL				
Beginning Stocks	402	341	400	341
Production 4/	51,100	50,565	51,650	51,709
Imports	639	783	450	450
Supply, Total	52,142	51,689	52,500	52,500
Domestic Disappearance	37,967	37,580	37,900	37,900
Exports	13,834	13,768	14,200	14,200
Use, Total	51,801	51,348	52,100	52,100
Ending Stocks	341	341	400	400
Avg. Price (\$/s.t.) 2/	299.50	392.31	325.00	325.00



# Weekly Hog Price Recap

Cash hogs again declined for much of the week with Thursday down the most, and regional cash improved an additional day compared to national cash. CME cash fell daily, with heavier declines reported late-week. Most wholesale pork values fell excluding hams which were up on the week, weighing US pork cutout \$5.82/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	22-Oct-21	Head	15-Oct-21		
ISM pm		\$67.77		\$69.05	-\$1.28	-1.9%
WCB pm		\$67.66		\$69.05	-\$1.39	-2.0%
Nat pm		\$66.44		\$68.31	-\$1.87	-2.7%
CME Index*		\$85.59		\$89.74	-\$4.15	-4.6%
Sows, 300-449lbs	12,985	\$56.70	12,690	\$58.37	-\$1.67	-2.9%
Sows, 500+ lbs	13,146	\$63.22	11,567	\$64.81	-\$1.58	-2.4%
BoC Exch		1.2354		1.2414	-0.0060	-0.5%

\* Represents Friday-Thursday average

Market hog values were generally \$10-\$17/hog lower on the week, with those out of Quebec down the most, \$16.75/hog lower. Hog values out of Hylife and the OlyW 20 & 21 were each down between \$13.50-\$14/hog, while Ontario fell \$11.50/hog and the ML Sig 4 was down closer to \$11.25/hog. BP/TC hog values fell near \$9.75/hog. In the US, hog values out of Tyson declined nearly \$4/hog while JM was shy of \$3/hog from week ago levels.

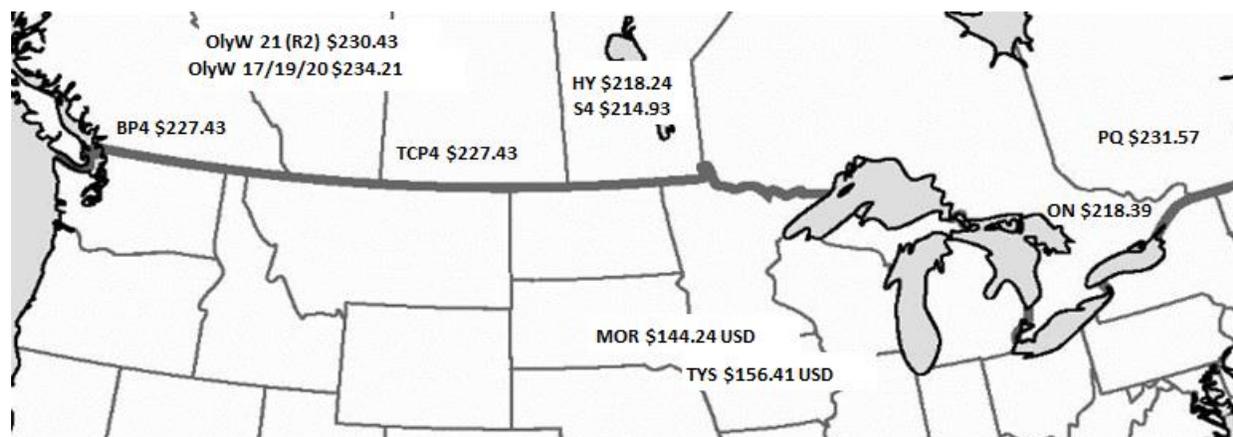
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 22-Oct-21	Difference to OlyW21
OlyW 2021 (R2)**	\$200.27		\$242.46		\$257.14		\$230.43	
OlyW 17/19/20*	\$194.56	-\$5.70	\$259.36	\$16.90	\$271.68	\$14.54	\$234.21	\$3.78
ML Sig 4	\$195.96	-\$4.30	\$240.34	-\$2.12	\$249.00	-\$8.14	\$214.93	-\$15.50
BP4/TCP4	\$196.80	-\$3.46	\$240.66	-\$1.80	\$255.32	-\$1.82	\$227.43	-\$3.00
Hylife	\$200.00	-\$0.27	\$242.50	\$0.05	\$252.01	-\$5.13	\$218.24	-\$12.19
Ontario***	\$195.85	-\$4.42	\$251.66	\$9.21	\$259.81	\$2.67	\$218.39	-\$12.04
Québec	\$206.92	\$6.66	\$254.96	\$12.50	\$266.71	\$9.57	\$231.57	\$1.14
Tyson (USD)	\$144.66	-\$55.61	\$203.87	-\$38.58	\$199.44	-\$57.70	\$156.41	-\$74.02
John Morrell (USD)	\$137.35	-\$62.92	\$198.24	-\$44.22	\$186.03	-\$71.11	\$144.24	-\$86.19

\*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 weakened on continued declines in hog and pork values, and were further pressured by a rise in feed costs. Canadian farrow-to-finish feed costs climbed \$1.85/hog while those in the monitored US region were up \$1.75/hog from a week earlier.

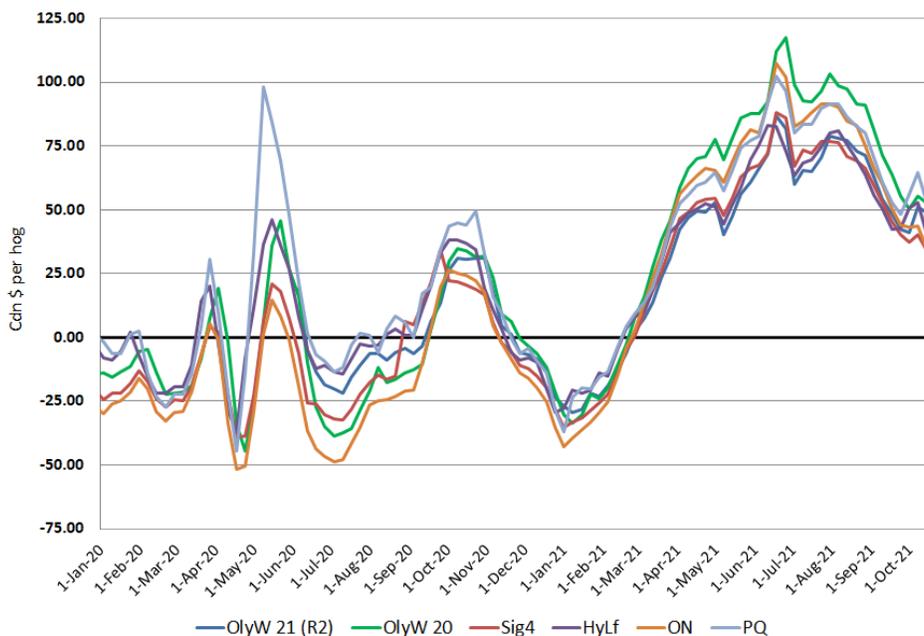
Hog margins out of the OlyW 20 & OlyW 21 each weakened near \$15.25 to \$37 and \$33.25/hog profits respectively, followed by margins out of Quebec which fell more than \$18.50 to shy of \$33.50/hog profits. Hylife weakened \$15.75 to \$23.75/hog profits, while Ontario margins declined near \$13.25 to \$20.50/hog and the ML Sig 4 was down \$13 to \$20.50/hog. In the US, hog margins out of Tyson weakened nearly \$5.75 to \$6.75/hog profits while JM margins weakened nearly \$4.75 to \$3.75/hog losses.

Regional MARGINS, \$/hog						
Packer/Region	22-Oct-21	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$234.21	\$137.66	\$39.45	\$20.05	\$197.16	\$37.05
OlyW 21 (R2)/Alberta	\$230.43	\$137.66	\$39.45	\$20.05	\$197.16	\$33.27
ML Sig 4/Manitoba	\$214.93	\$135.40	\$39.54	\$19.55	\$194.49	\$20.44
Hylife/Manitoba	\$218.24	\$135.41	\$39.54	\$19.55	\$194.50	\$23.74
Ontario	\$218.39	\$133.34	\$40.71	\$23.76	\$197.81	\$20.58
Québec	\$231.57	\$136.03	\$40.50	\$21.65	\$198.18	\$33.39
Tyson (USD)/Iowa	\$156.41	\$104.49	\$28.70	\$16.57	\$149.76	\$6.65
John Morrell (USD)/ND	\$144.24	\$102.76	\$28.70	\$16.57	\$148.03	-\$3.79

\* Feed costs standardized for a 285 pound market hog

Tyson: \$6.65 USD x 1.2376 = \$8.23 CAD  
 Morrell: **\$(3.79)** USD x 1.2376 = **\$(4.69)** CAD

## Canadian Margins 2020-2021



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