



# Weekly Regional HOG PRICE Report



November 30, 2021

## Things to Consider....

The latest USDA data tallying US livestock and meat trade recorded total US pork exports 30.6 million pounds higher or +6.0% from previously reported, which is down 48.4 million pounds or -8.2% from the highs recorded last year.

US pork to Mexico and Colombia recorded the largest increases for October, both reaching new historical highs. Mexico rose 14.8 million pounds or +7.8% while Colombia jumped 11.5 million pounds or an impressive +51.9% surge from the levels recorded in September. US pork to other countries such as South Korea, Dominican Republic, Australia, and Panama each increased 2-3 million pounds for October.

US pork to Canada recorded the greatest decline from previously reported, down 9.1 million pounds or -16.0% from September levels. US Pork to other countries recorded more moderate declines for October, generally 1-1.5 million pounds lower, such as Honduras, New Zealand, Japan and China\*. Pork to mainland China fell 1.8 million pounds while Hong Kong climbed 608 thousand pounds and Taiwan edged 45 thousand pounds lower for an adjusted China\* decline of 1.3 million pounds or -2.4% lower from September.

US pork to Canada accounted for 8.8% of the total monthly US export volume for October, which is +0.8% above the 12-month average. Notably, the US imported 26.6 million pounds more pork from Canada than it exported to the country for the month of October.

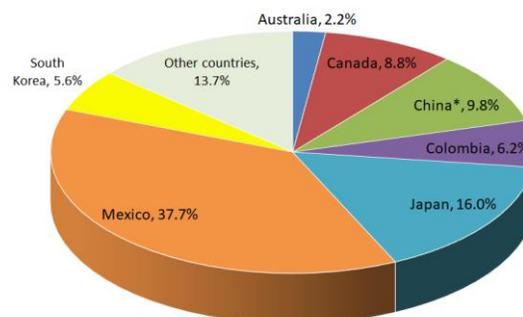
Total US pork imports reached a new historical high at 115.6 million pounds for October, surpassing the previous high recorded in September at 109.7 million pounds. Notably, the US imported record high amounts of pork from both Canada and Mexico during the month of October. Imports from Canada climbed 4.3 million pounds or +6.2% from September, bringing US imports from Canada 20.9 million pounds or +39.1% over year ago levels, while imports from Mexico climbed 1.4 million pounds or +12.2% for October which is up 3.0 million pounds or +30.2% over last year.

Although on the surface, reduced exports and increased imports would appear to be a negative for the market, they represent the opposite. A reduced supply and stable domestic demand are reducing available product for export causing volumes to decline. Medium term, the US meat trade appears to be stable and could see signs of strengthening now that we are beyond US Thanksgiving which has proven to be the low of the year in several of the past 5 years.

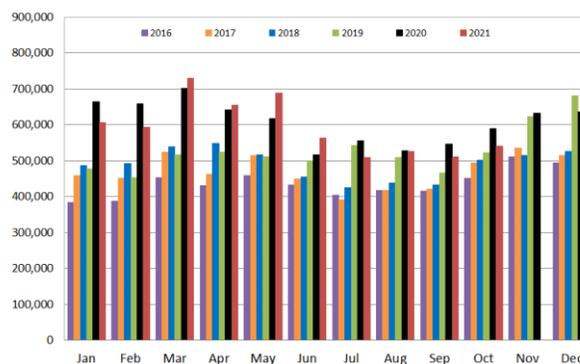
US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Oct-20	Sep-21	Oct-21	M/M%	Y/Y%	YTD/LYTD <sup>9</sup>
Australia	16,223	9,618	11,813	22.8%	-27.2%	-18.1%
Canada	51,607	56,838	47,751	-16.0%	-7.5%	-1.6%
China*	147,903	54,082	52,806	-2.4%	-64.3%	-39.9%
Colombia	17,543	22,154	33,643	51.9%	91.8%	59.0%
Japan	108,263	87,888	86,727	-1.3%	-19.9%	3.5%
Mexico	135,562	189,051	203,802	7.8%	50.3%	32.0%
South Korea	31,412	27,354	30,258	10.6%	-3.7%	4.3%
<b>All US Pork Exports</b>	<b>589,117</b>	<b>510,147</b>	<b>540,753</b>	<b>6.0%</b>	<b>-8.2%</b>	<b>-1.6%</b>

\*Includes Mainland, Hong Kong & Taiwan

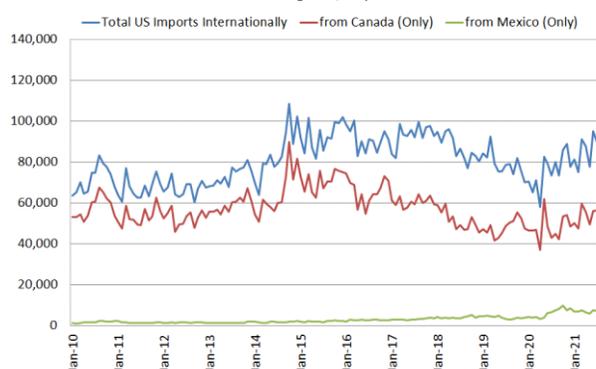
Percentage of Total US Pork Exports: Latest, Oct 2021



Total US Pork Exports  
Carcass Weight 1,000 pounds



Total US Pork Imports  
Carcass Weight 1,000 pounds



# Weekly Hog Price Recap

Cash hog pricing declined overall during the holiday-shortened week, with regional cash only higher Tuesday while national cash recorded more modest improvements but throughout the mid-week. CME cash moved similarly to regional cash, however declines were greater in CME cash and Tuesday's recorded improvement was less in comparison. Most wholesale pork values declined on the week, excluding picnics and bellies, with the overall pressure pushing US pork cutout \$4.12/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	26-Nov-21	Head	19-Nov-21		
ISM pm		\$55.50		\$56.37	-\$0.87	-1.6%
WCB pm		\$55.43		\$56.35	-\$0.92	-1.6%
Nat pm		\$55.28		\$56.19	-\$0.92	-1.6%
CME Index*		\$72.55		\$75.50	-\$2.95	-3.9%
Sows, 300-449lbs	7,248	\$70.39	13,420	\$68.70	\$1.70	2.5%
Sows, 500+ lbs	6,777	\$77.77	11,036	\$75.64	\$2.13	2.8%
BoC Exch		1.2698		1.2583	0.0115	0.9%

\* Represents Friday-Thursday average

Market hog values generally declined \$5-\$9 per hog with those out of Quebec down the most, \$8.75/hog lower, and followed by Hylife which fell \$8.25/hog from the previous week. The OlyW 20 declined \$6.50/hog, while the OlyW 21 was down shy of \$6/hog. Hog values out of Ontario were down closer to \$5.75/hog while the ML Sig 4 fell \$5.25/hog and BP/TC slipped shy of \$4/hog. In the US, hog values out of Tyson declined \$5.25/hog while JM was down near \$2/hog from week ago levels.

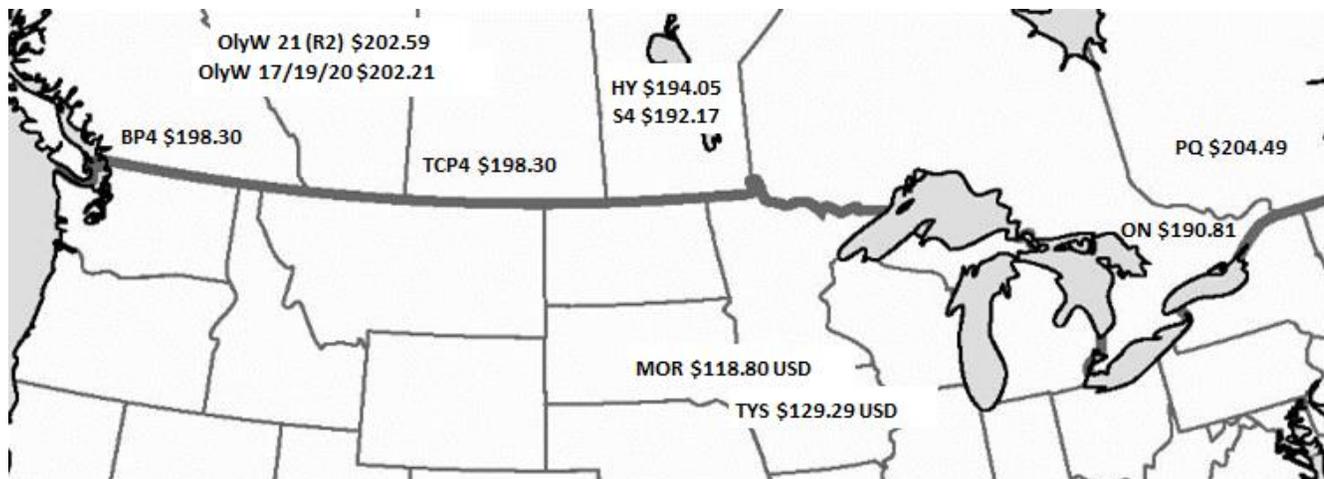
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 26-Nov-21	Difference to OlyW21
OlyW 2021 (R2)**	\$201.15		\$239.00		\$232.13		\$202.59	
OlyW 17/19/20*	\$196.07	-\$5.07	\$254.31	\$15.31	\$239.29	\$7.17	\$202.21	-\$0.37
ML Sig 4	\$196.72	-\$4.43	\$236.00	-\$3.00	\$222.28	-\$9.84	\$192.17	-\$10.42
BP4/TCP4	\$197.61	-\$3.53	\$236.87	-\$2.12	\$229.12	-\$3.01	\$198.30	-\$4.28
Hylife	\$200.87	-\$0.27	\$238.61	-\$0.39	\$226.67	-\$5.45	\$194.05	-\$8.54
Ontario***	\$196.64	-\$4.50	\$246.19	\$7.19	\$227.07	-\$5.06	\$190.81	-\$11.78
Québec	\$208.17	\$7.02	\$250.68	\$11.69	\$238.83	\$6.70	\$204.49	\$1.90
Tyson (USD)	\$144.95	-\$56.19	\$197.10	-\$41.89	\$166.04	-\$66.09	\$129.29	-\$73.30
John Morrell (USD)	\$137.55	-\$63.60	\$190.61	-\$48.38	\$151.23	-\$80.90	\$118.80	-\$83.79

\*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 on declining hog and pork values, however a reduction in feed costs was partially supportive. Canadian farrow-to-finish feed costs fell \$1/hog while those in the monitored US region declined more than \$1.75/hog from a week earlier.

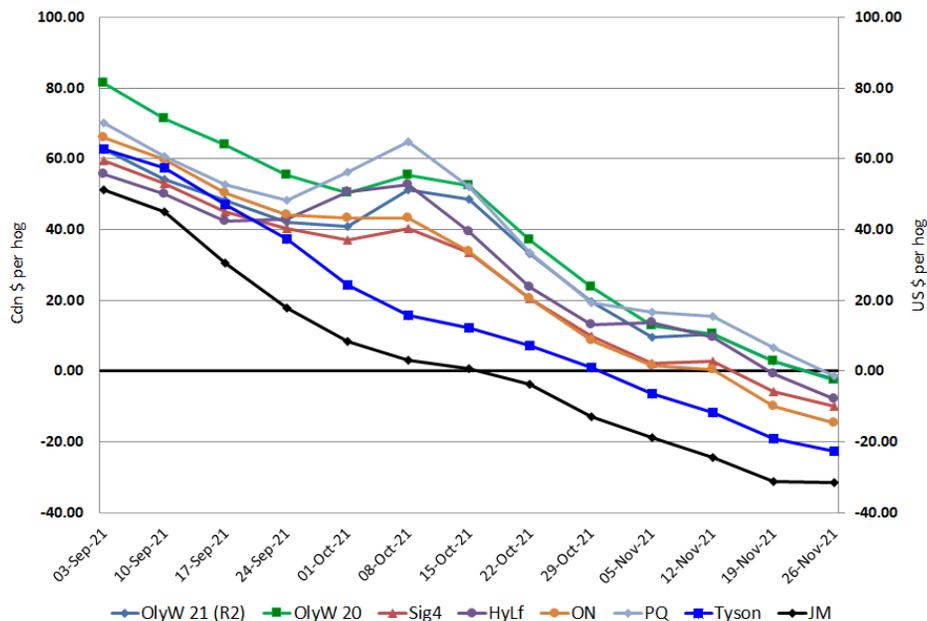
All monitored hog margins slipped to dollar per hog losses this week. Hog margins out of the Ontario weakened \$4.50 to \$14.50/hog losses, while the Sig 4 fell \$4 to more than \$9.75/hog losses and Hylife weakened near \$7.25 to \$8/hog losses. The OlyW 20 declined \$5.25 to \$2.50/hog losses, the OlyW 21 fell \$4.75 to \$2/hog losses, and hog margins out of Quebec dropped \$7.75 to \$1.25/hog losses on the week. In the US, Tyson weakened \$3.50 to \$22.50/hog losses while JM margins were nearly unchanged at more than \$31.25/hog losses.

Regional MARGINS, \$/hog						
Packer/Region	26-Nov-21	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$202.21	\$145.19	\$39.45	\$20.05	\$204.69	-\$2.48
OlyW 21 (R2)/Alberta	\$202.59	\$145.19	\$39.45	\$20.05	\$204.69	-\$2.10
ML Sig 4/Manitoba	\$192.17	\$142.93	\$39.54	\$19.55	\$202.02	-\$9.85
Hylife/Manitoba	\$194.05	\$142.94	\$39.54	\$19.55	\$202.03	-\$7.98
Ontario	\$190.81	\$140.87	\$40.71	\$23.76	\$205.34	-\$14.53
Québec	\$204.49	\$143.56	\$40.50	\$21.65	\$205.71	-\$1.22
Tyson (USD)/Iowa	\$129.29	\$106.62	\$28.70	\$16.57	\$151.89	-\$22.60
John Morrell (USD)/ND	\$118.80	\$104.89	\$28.70	\$16.57	\$150.16	-\$31.36

\* Feed costs standardized for a 285 pound market hog

Tyson:  $\$(22.60)$  USD x 1.2792 =  $\$(28.91)$  CAD  
 Morrell:  $\$(31.36)$  USD x 1.2792 =  $\$(40.12)$  CAD

### Canadian & US Margins Last 13 weeks



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