



Weekly Regional HOG PRICE Report



December 14, 2021

Things to Consider....

US retail pork prices declined overall for the month of November, however, continue well above year ago prices. Comparatively, most wholesale pork values were also lower than those recorded a month earlier and generally continue above last year.

Strength in the overall meat complex is providing underlying support to futures markets which have now appreciated to new heights. Most 2022 lean hog contracts now trade at, or above previous contract highs set back in late November. Opportunities to lock in profitable prices for the year ahead are now available. Hog producers are encouraged to keep a close watch on forward contracting prices in the weeks ahead. The current uptrend remains strong however resistance is expected as summer months approach the \$100 US per cwt level.

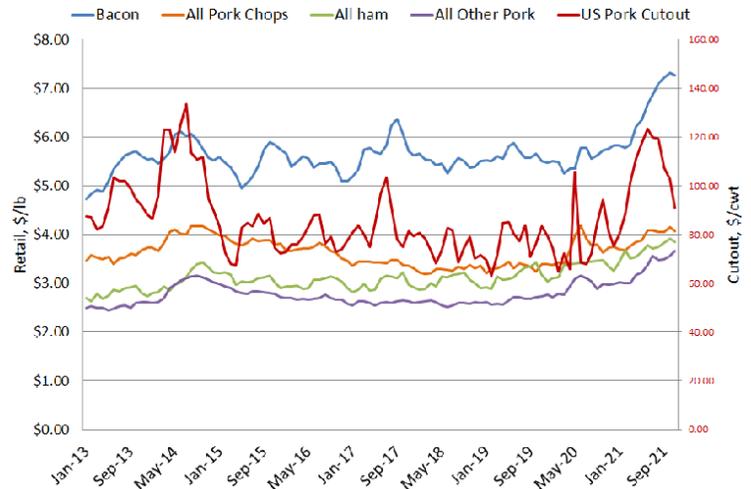
US retail beef prices climbed in November. Uncooked ground was up +0.5% from the month previous and +14.5% from last year to \$5.26/lb, steaks edged +0.2% to \$10.23/lb bringing them +26.6% over 2020, roasts were up +0.5% to \$7.16/lb and +21.7% over last year, and other beef (not veal) was +3.9% to \$7.01/lb which is +27.9% over November 2020. Wholesale beef values, both choice and select, remain significantly high compared to year ago levels. Choice cutout slipped -0.2% for November to \$282.82/cwt bringing them +24.0% over last year, while select cutout climbed +1.1% to \$265.52/cwt on the month and is +26.8% over November 2020.

US retail broiler prices were up +1.7% to \$2.21/lb for November which is +9.6% over year ago prices, while wholesale broilers fell -1.6% on the month to \$0.85/lb which is +28.5% over 2020.

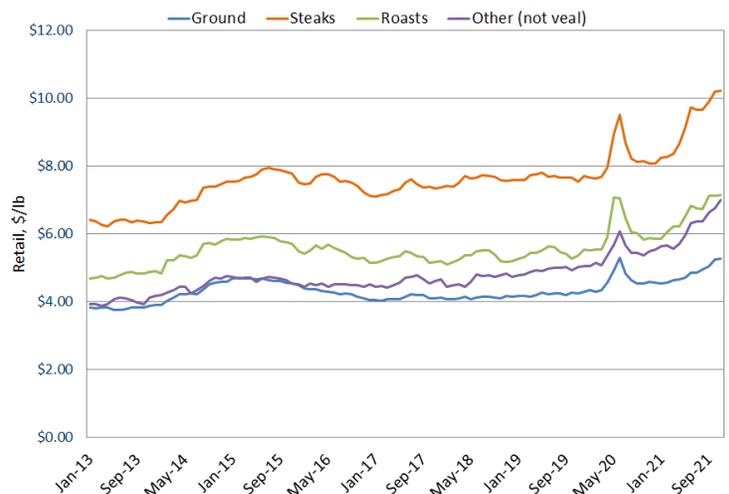
US Retail Pork Price, US\$/lb							
	Nov-20	Oct-21	Nov-21	m/m	y/y		
Bacon	\$5.75	\$7.32	\$7.27	-\$0.05	-0.7%	\$1.51	26.3%
All Pork Chops	\$3.74	\$4.15	\$4.07	-\$0.08	-1.8%	\$0.34	9.0%
<i>chops, center cut, bone in</i>	\$4.05	\$4.39	\$4.36	-\$0.04	-0.9%	\$0.30	7.4%
<i>chops, boneless</i>	\$4.29	\$4.50	\$4.43	-\$0.07	-1.4%	\$0.14	3.3%
All Ham	\$3.34	\$3.92	\$3.85	-\$0.07	-1.7%	\$0.51	15.2%
<i>Hams, boneless uncanned</i>	\$4.55	\$4.96	\$4.94	-\$0.03	-0.5%	\$0.39	8.5%
All Other Pork	\$2.97	\$3.57	\$3.67	\$0.10	2.8%	\$0.69	23.2%

National Pork (MPR) Primal Values							
	Nov-20	Oct-21	Nov-21	m/m	y/y		
Cutout	81.18	102.62	90.95	-\$11.67	-11.4%	\$9.77	12.0%
Loin	73.55	102.07	87.50	-\$14.57	-14.3%	\$13.94	19.0%
Butt	79.64	103.83	97.34	-\$6.49	-6.3%	\$17.69	22.2%
Picnic	68.48	72.46	69.81	-\$2.65	-3.7%	\$1.34	2.0%
Rib	132.74	129.04	133.98	\$4.94	3.8%	\$1.24	0.9%
Ham	82.70	72.54	73.73	\$1.19	1.6%	-\$8.97	-10.9%
Belly	100.96	185.96	140.47	-\$45.49	-24.5%	\$39.51	39.1%

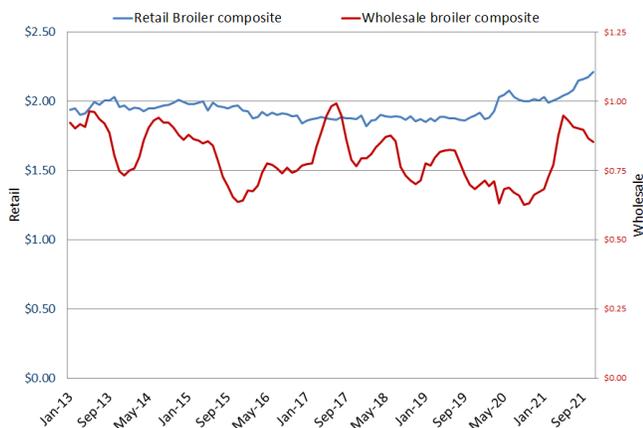
Monthly US Retail & Wholesale Pork



Monthly US Retail Beef



Retail Broilers VS Wholesale Broilers, \$/lb



Weekly Hog Price Recap

Cash hogs varied throughout the week with national cash recording large daily swings. Regional cash moved more moderately in comparison and went unreported Friday thus reflecting a greater week-over-week improvement compared to national cash which was down significantly at the end of the week. CME cash recorded modest improvements for much of the week. Wholesale pork values were mixed however strong gains in the front-half of the week helped primals finish the week higher. US pork cutout finished \$4.82/cwt over the previous week's average.

USD Cash Price	Weekly Averages					
	Head	10-Dec-21	Head	03-Dec-21	w/w	% Chg
ISM pm		\$64.34		\$59.67	\$4.68	7.8%
WCB pm		\$64.24		\$59.63	\$4.61	7.7%
Nat pm		\$59.67		\$57.87	\$1.79	3.1%
CME Index*		\$71.02		\$70.46	\$0.56	0.8%
Sows, 300-449lbs	14,751	\$64.38	12,956	\$68.20	-\$3.82	-5.6%
Sows, 500+ lbs	11,496	\$71.89	11,000	\$75.34	-\$3.45	-4.6%
BoC Exch		1.2699		1.2792	-0.0093	-0.7%

* Represents Friday-Thursday average

The OlyW 20 improved shy of \$1/hog, while hog values out of Ontario were up more than \$0.75/hog and the OlyW 21 was up more than \$0.25/hog from the week previous. Hylife was marginally higher while hog values out of Quebec fell \$0.50/hog, followed by the ML Sig 4 which declined \$0.75/hog and BP/TC fell nearly \$2.75/hog from a week earlier. In the US, hog values out of Tyson rose \$7.50/hog while JM jumped \$9.50/hog from week ago levels.

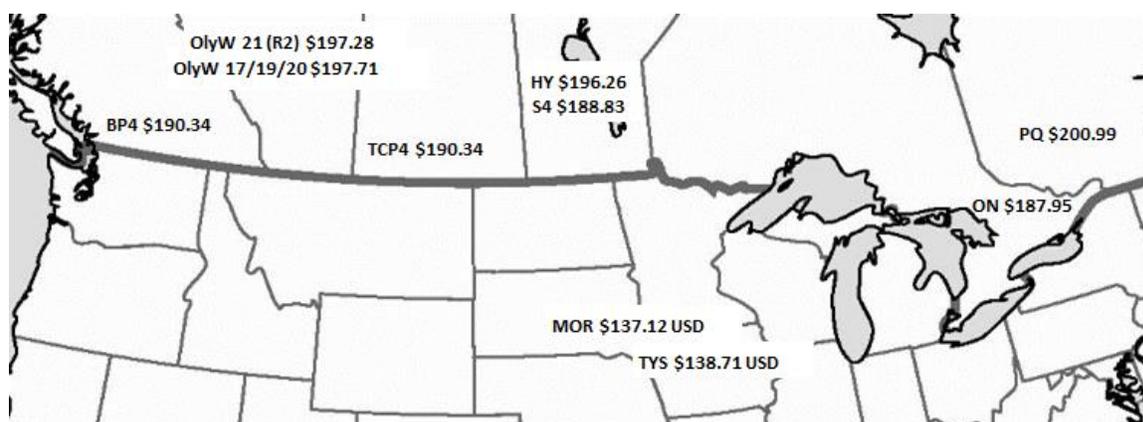
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 10-Dec-21	Difference to OlyW21
OlyW 2021 (R2)**	\$201.52		\$237.27		\$223.06		\$197.28	
OlyW 17/19/20*	\$196.68	-\$4.84	\$251.98	\$14.71	\$227.49	\$4.43	\$197.71	\$0.43
ML Sig 4	\$197.06	-\$4.46	\$234.09	-\$3.18	\$212.73	-\$10.33	\$188.83	-\$8.45
BP4/TCP4	\$197.91	-\$3.61	\$235.03	-\$2.24	\$218.39	-\$4.67	\$190.34	-\$6.94
Hylife	\$201.29	-\$0.23	\$236.87	-\$0.40	\$218.72	-\$4.34	\$196.26	-\$1.03
Ontario***	\$197.01	-\$4.51	\$243.80	\$6.53	\$215.73	-\$7.32	\$187.95	-\$9.33
Québec	\$208.72	\$7.20	\$248.67	\$11.40	\$229.15	\$6.10	\$200.99	\$3.71
Tyson (USD)	\$145.19	-\$56.33	\$194.58	-\$42.68	\$154.78	-\$68.28	\$138.71	-\$58.57
John Morrell (USD)	\$137.86	-\$63.66	\$188.23	-\$49.03	\$141.59	-\$81.47	\$137.12	-\$60.17

*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

Canadian hog margins weakened on rising feed costs, despite some markets recording improved hog values. Weekly farrow-to-finish feed costs rose near \$2/hog on either side of the CAN/US border.

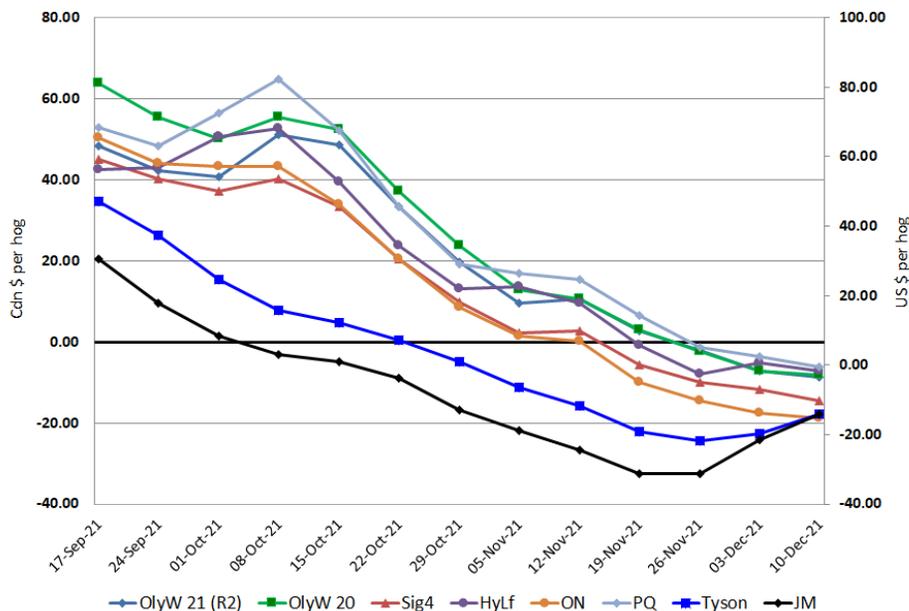
Hog margins out of Ontario weakened shy of \$1.25 to \$18.75/hog losses, while the Sig 4 fell near \$2.75 to \$14.50/hog losses. The OlyW 21 fell near \$1.75 to \$8.75/hog losses while the OlyW 20 declined \$1 to \$8.25/hog losses. Hylife fell more than \$1.75 to \$7/hog losses while margins out of Quebec weakened \$2.50 to \$6/hog losses. In the US, hog margins improved with Tyson up \$5.50 to more than \$14/hog losses while JM strengthened nearly \$7.75 to \$14/hog losses from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	10-Dec-21		Farrow to Finish		Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$197.71	\$146.50	\$39.45	\$20.05	\$206.00	-\$8.29
OlyW 21 (R2)/Alberta	\$197.28	\$146.50	\$39.45	\$20.05	\$206.00	-\$8.72
ML Sig 4/Manitoba	\$188.83	\$144.24	\$39.54	\$19.55	\$203.33	-\$14.50
Hylife/Manitoba	\$196.26	\$144.25	\$39.54	\$19.55	\$203.34	-\$7.08
Ontario	\$187.95	\$142.18	\$40.71	\$23.76	\$206.65	-\$18.70
Québec	\$200.99	\$144.87	\$40.50	\$21.65	\$207.02	-\$6.03
Tyson (USD)/Iowa	\$138.71	\$107.55	\$28.70	\$16.57	\$152.82	-\$14.11
John Morrell (USD)/ND	\$137.12	\$105.82	\$28.70	\$16.57	\$151.09	-\$13.97

* Feed costs standardized for a 285 pound market hog

Tyson: $\$(14.11)$ USD x 1.2845 = $\$(18.12)$ CAD
 Morrell: $\$(13.97)$ USD x 1.2845 = $\$(17.94)$ CAD

Canadian & US Margins Last 13 weeks



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