



Weekly Regional HOG PRICE Report



Things to Consider....

January 4, 2022

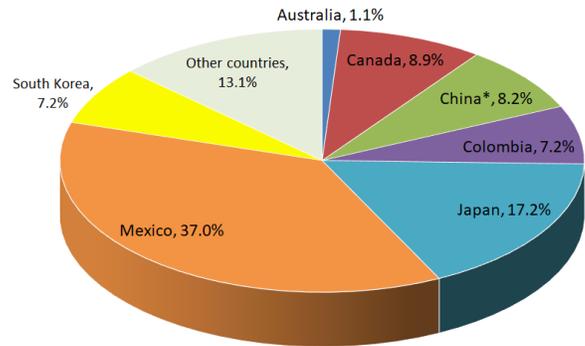
The latest US livestock and meat trade data recorded total US pork exports up 39.7 million pounds or +7.4% from previously reported, which is down 52.2 million pounds or -8.3% from the highs last year.

US pork to Japan increased the most during November, rising 13.3 million pounds, followed by South Korea and Mexico which were up 11.7 and 11.2 million pounds respectively. Notably, **Mexico** reached a new historical high, surpassing the previous high reached a month earlier. US pork to Colombia rose 8.1 million pounds—also reaching new historical high, while other destinations such as Honduras, Canada and the Dominican Republic were each up 3-5 million pounds. US pork to Canada accounted for 8.9% of the total monthly US export volume for November, which is +0.8% above the 12-month average.

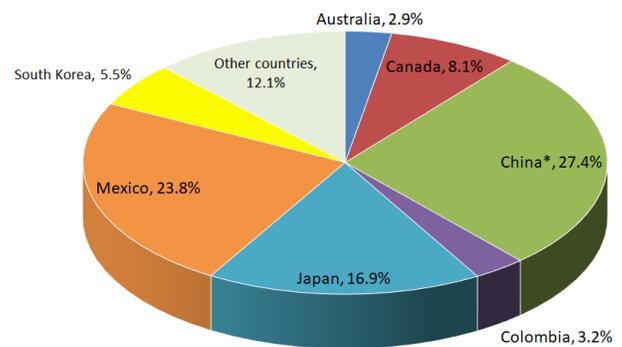
Tempering some of these increases were lessened volumes of US pork to destinations such as China*, Australia and the Philippines. Pork to mainland China fell 4.7 million pounds while Hong Kong slipped 540 thousand pounds and Taiwan edged 46 thousand pounds lower in November for an adjusted China* decline of 5.3 million pounds or -10.0% from October. Australia also declined 5.3 million pounds for November, while the Philippines fell 4.5 million pounds.

Total US pork imports reached a new historical high at 132.0 million, surpassing the previous high recorded in October at 115.6 million pounds. Imports from Canada climbed 6.5 million pounds or +8.8% for November, bringing US imports from Canada 27.0 million pounds or +50.1% over year ago levels, while imports from Mexico slipped 379 thousand pounds or -3.0% for November which is up 4.9 million pounds or +65.8% over last year. Notably, the US imported 29.0 million pounds more pork from Canada than it exported to the country for the month of November.

Percentage of Total US Pork Exports: Latest, Nov 2021

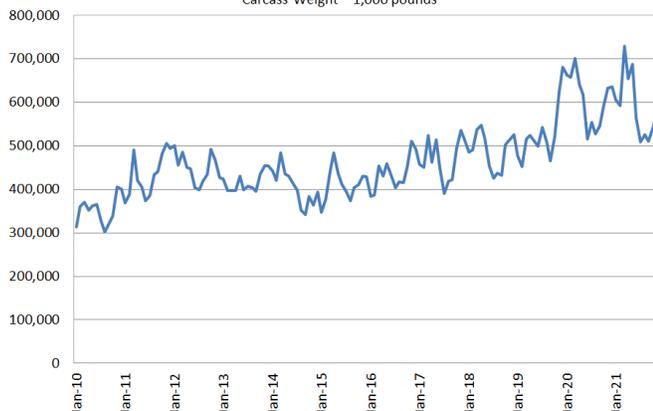


Percentage of Total US Pork Exports: Nov 2020



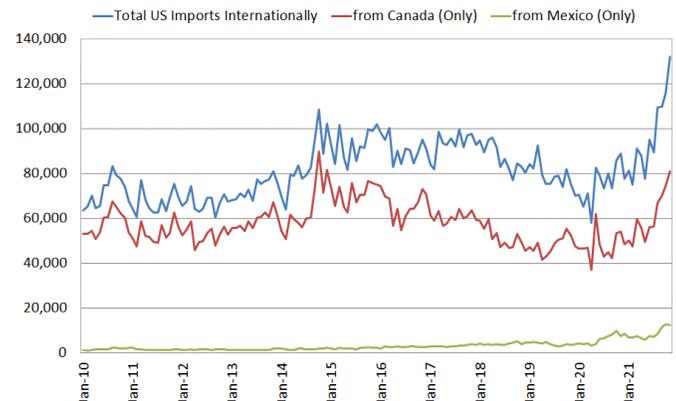
Total US Pork Exports

Carcass Weight 1,000 pounds



Total US Pork Imports

Carcass Weight 1,000 pounds



Weekly Hog Price Recap

National and regional cash hogs varied during the holiday-shortened week, with regional cash unreported for nearly half of those days. Although CME cash improved modestly throughout much of the week, CME cash finished under a week earlier. Wholesale pork values also varied on large day-to-day swings in primals, though primarily loins and bellies. Despite the variability many primals finished higher, which resulted in pork cutout ending \$0.33/cwt over the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	31-Dec-21	Head	24-Dec-21		
ISM pm		\$61.78		\$60.53	\$1.25	2.1%
WCB pm		\$61.34		\$60.51	\$0.84	1.4%
Nat pm		\$61.07		\$60.13	\$0.94	1.6%
CME Index*		\$71.91		\$72.22	-\$0.31	-0.4%
Sows, 300-449lbs	9,285	\$50.32	9,820	\$54.30	-\$3.98	-7.3%
Sows, 500+ lbs	7,831	\$58.94	9,943	\$62.45	-\$3.51	-5.6%
BoC Exch		1.2753		1.2873	-0.0120	-0.9%

* Represents Friday-Thursday average

Canadian market hog values generally declined on cash hog pricing and the lower rate of exchange. Hog values out of Quebec declined more than \$6.50/hog, while those out of Ontario were down \$2.25/hog and the ML Sig 4 fell \$1/hog from a week earlier. The OlyW 20 slipped \$0.50/hog while the OlyW 21 was unchanged from the week previous, and BP/TC improved more than \$2/hog while Hylife rose \$3/hog. US hog values improved, with Tyson up \$1.50/hog while JM rose \$1.75/hog from week ago levels.

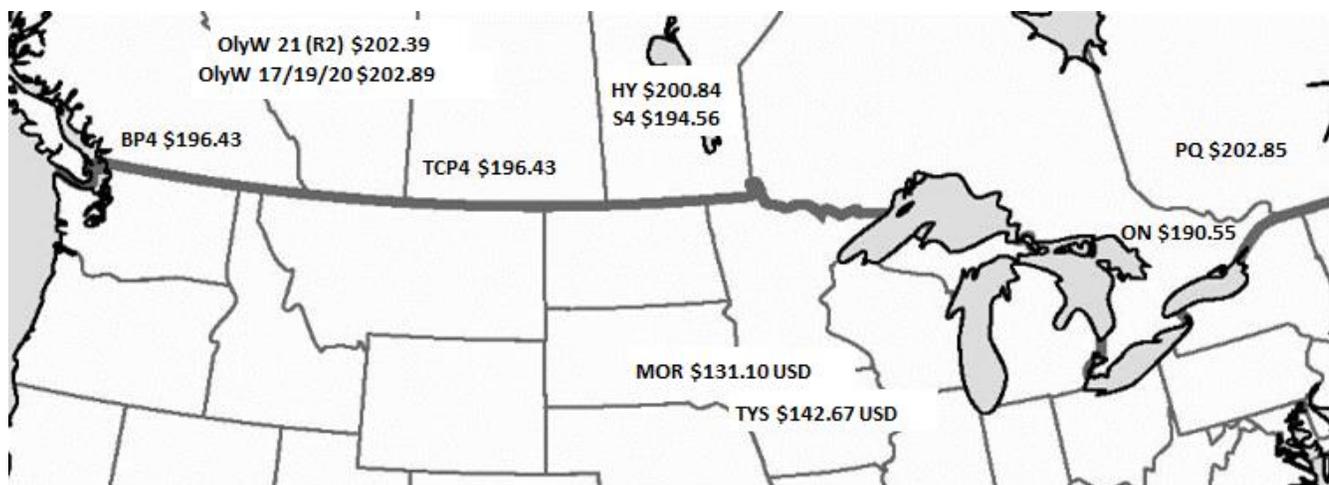
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2021 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 31-Dec-21	Difference to OlyW21
OlyW 2021 (R2)**	\$202.10		\$235.12		\$213.23		\$202.39	
OlyW 17/19/20*	\$197.76	-\$4.34	\$249.06	\$13.93	\$214.88	\$1.65	\$202.89	\$0.50
ML Sig 4	\$197.73	-\$4.37	\$231.80	-\$3.32	\$202.80	-\$10.43	\$194.56	-\$7.83
BP4/TCP4	\$198.42	-\$3.68	\$232.63	-\$2.50	\$206.90	-\$6.33	\$196.43	-\$5.96
Hylife	\$201.79	-\$0.31	\$234.80	-\$0.32	\$209.02	-\$4.21	\$200.84	-\$1.55
Ontario***	\$197.72	-\$4.38	\$240.81	\$5.68	\$203.27	-\$9.95	\$190.55	-\$11.84
Québec	\$209.71	\$7.61	\$246.20	\$11.07	\$218.29	\$5.06	\$202.85	\$0.47
Tyson (USD)	\$145.77	-\$56.33	\$191.56	-\$43.57	\$144.64	-\$68.59	\$142.67	-\$59.72
John Morrell (USD)	\$138.46	-\$63.64	\$184.94	-\$50.19	\$133.30	-\$79.92	\$131.10	-\$71.29

*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

Most Canadian hog margins weakened on lower hog values and an uptick in feed costs. Canadian farrow-to-finish feed costs edged shy of \$0.25/hog higher, while those in the monitored US region were up \$1/hog from a week earlier.

Hog margins out of Ontario weakened more than \$2.25 to near \$21.75/hog losses, while the Sig 4 fell more than \$1 to \$14.50/hog losses. Hog margins out of Quebec weakened \$6.75 to more than \$9.75/hog losses, while the OlyW 21 edged less than \$0.25 lower to near \$9.25/hog losses. OlyW 20 margins fell more than \$0.50 to more than \$8.75/hog losses while Hylife strengthened more than \$2.75 to \$8.25/hog losses. In the US hog margins improved, with Tyson up \$0.50 to more than \$14/hog losses while JM strengthened \$0.75 to \$24/hog losses from the previous week.

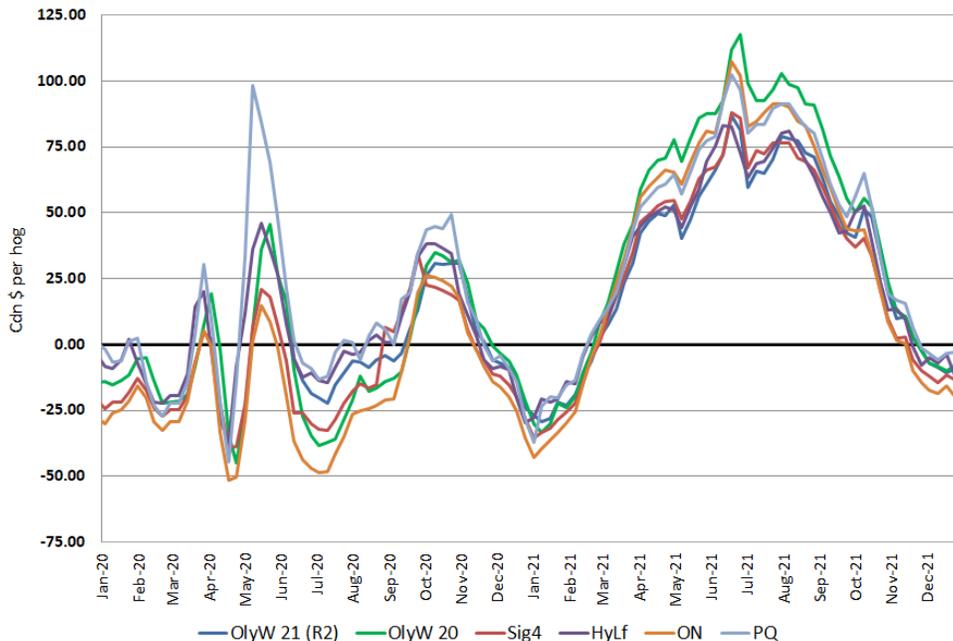
Regional MARGINS, \$/hog						
Packer/Region	31-Dec-21	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$202.89	\$152.21	\$39.45	\$20.05	\$211.71	-\$8.82
OlyW 21 (R2)/Alberta	\$202.39	\$152.21	\$39.45	\$20.05	\$211.71	-\$9.32
ML Sig 4/Manitoba	\$194.56	\$149.95	\$39.54	\$19.55	\$209.04	-\$14.48
Hylife/Manitoba	\$200.84	\$149.96	\$39.54	\$19.55	\$209.05	-\$8.21
Ontario	\$190.55	\$147.89	\$40.71	\$23.76	\$212.36	-\$21.81
Québec	\$202.85	\$150.58	\$40.50	\$21.65	\$212.73	-\$9.88
Tyson (USD)/Iowa	\$142.67	\$111.56	\$28.70	\$16.57	\$156.83	-\$14.16
John Morrell (USD)/ND	\$131.10	\$109.83	\$28.70	\$16.57	\$155.10	-\$24.00

* Feed costs standardized for a 285 pound market hog

Tyson: **\$(14.16)** USD x 1.2708 = **\$(17.99)** CAD

Morrell: **\$(24.00)** USD x 1.2708 = **\$(30.50)** CAD

Canadian Margins 2020-2021



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