



# Weekly Regional HOG PRICE Report



## Things to Consider....

February 15, 2022

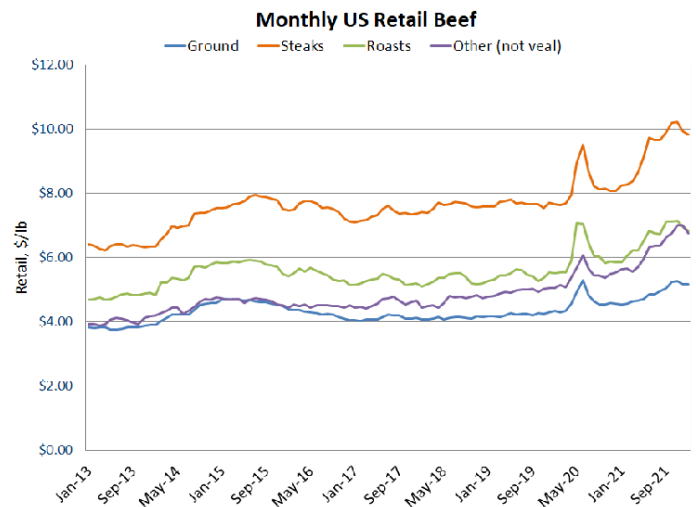
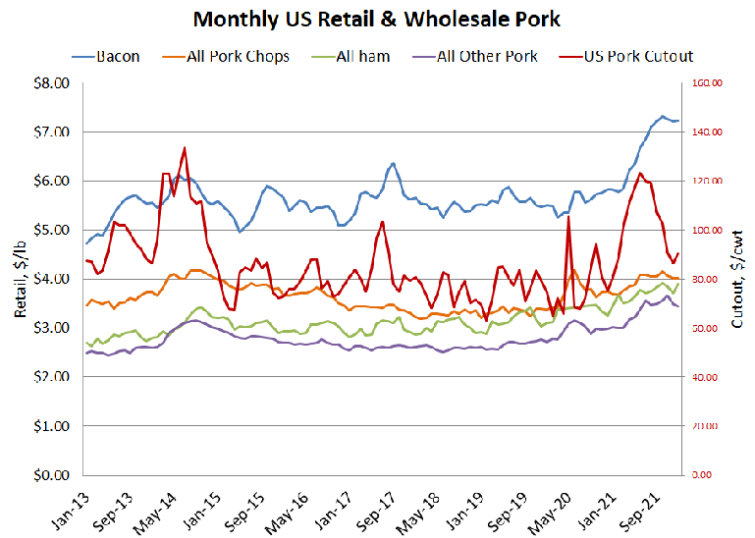
US retail pork prices for the month of January varied. Bacon prices edged +0.2% higher to \$7.22/lb for the month and is +23.9% over last year, while chops declined -0.1% to \$4.02/lb for January which is +8.8% over the same month in 2020, and hams rose +5.0% in the latest data to \$3.89/lb which is +13.1% over year ago levels. Other pork dropped -1.2% from a month earlier to \$3.45/lb and is up +14.3% compared year ago levels. Pork cutout averaged \$90.56/cwt in January, up +4.8% on the month and +12.8% compared to last year.

Average hog weights were 291.4 lbs for the month of January, very near year ago weights. Hog slaughter rates remain below the previous two years for this time however are generally mid-range in the 5-year average, with January averaging 2,345 thousand head, nearly 186 thousand head under last year. Pork production averaged 527.3 million pounds in January, approximately 45 million pounds under a year earlier. Monthly US retail beef prices declined into January, however, remain significantly high compared to year ago levels. Uncooked ground was down -0.1% to \$5.17/lb which is +13.8% over last year, steaks were down -1.1% to \$9.83/lb bringing them +19.1% over 2020, while roasts fell -1.5% to \$6.85/lb which is +16.8% over last year, and other beef (not veal) declined -3.4% to \$6.77/lb which is +20.2% over January 2020. Choice cutout rose +6.7% in January to \$282.91/cwt bringing them +30.5% over last year, while select cutout rose +8.0% to \$273.63/cwt on the month and is +32.9% over last year.

Cattle slaughter averaged 610.8 thousand head, down 16.7 thousand from a year earlier. Average cattle weights for January were 1401.8 pounds, 0.4 of a pound over last year, while beef production averaged 514.2 million pounds for the same period, which was down 15.1 million pounds from last year.

US retail broiler prices edged +0.1% higher to \$2.22/lb for January, bringing them +9.3% over year ago prices, while wholesale broilers climbed +2.3% on the month to \$0.91/lb which is +33.0% over 2020.

Young chicken slaughter rates averaged 160.6 million head for January while production averaged 1,024 million pounds for the same period, with slaughter down 876 thousand head and production 3 million pounds under year ago levels.



# Weekly Hog Price Recap

Cash hogs were mixed during the week. National cash recorded declines for much of the week, particularly Monday with a significant drop of \$9.35/cwt. Regional cash varied, with the ISM down much of the week while the WCB improved near daily. CME cash improved daily, with mid-week gains more modest than those recorded the remainder of the week. Wholesale pork values improved throughout much of the week, with only loins recording a modest decline from the previous week. US pork cutout rose \$6.64/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	11-Feb-22	Head	04-Feb-22		
ISM pm		\$89.98		\$85.57	\$4.42	5.2%
WCB pm		\$89.70		\$84.58	\$5.12	6.1%
Nat pm		\$81.31		\$79.72	\$1.59	2.0%
CME Index*		\$87.27		\$83.24	\$4.03	4.8%
Sows, 300-449lbs	14,179	\$58.05	14,084	\$47.35	\$10.70	22.6%
Sows, 500+ lbs	10,455	\$62.84	10,442	\$53.68	\$9.16	17.1%
BoC Exch		1.2692		1.2705	-0.0013	-0.1%

\* Represents Friday-Thursday average

Canadian market hog values improved significantly, with Hylife up the most at \$13/hog above a week earlier. Hog values out of Ontario and the OlyW 20 were each up near \$10.50/hog, while BP/TC rose \$9/hog. The ML Sig 4 was up more than \$7.75/hog, while hog values out of Quebec were up \$6.25/hog and the OlyW 21 climbed \$4.50/hog. In the US, both Tyson & JM each rose near \$10.75/hog from week ago levels.

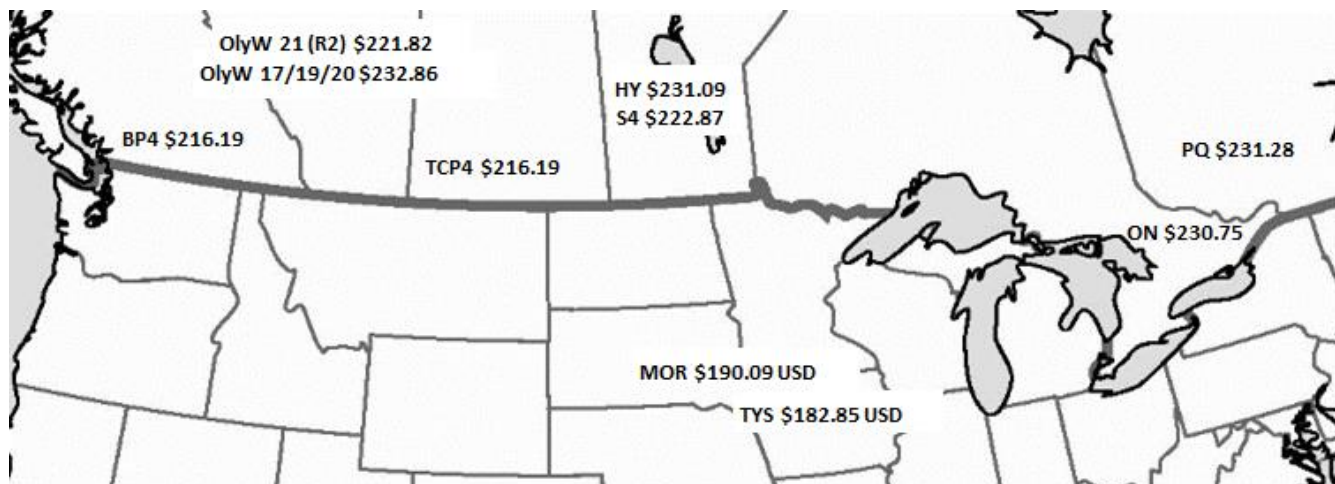
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 11-Feb-22	Difference to OlyW21
OlyW 2021 (R2)**	\$203.56		\$207.98		\$204.47		\$221.82	
OlyW 17/19/20*	\$199.90	-\$3.66	\$213.50	\$5.52	\$206.95	\$2.48	\$232.86	\$11.04
ML Sig 4	\$199.45	-\$4.11	\$205.67	-\$2.32	\$198.88	-\$5.59	\$222.87	\$1.06
BP4/TCP4	\$199.77	-\$3.79	\$201.90	-\$6.08	\$198.12	-\$6.35	\$216.19	-\$5.63
Hylife	\$203.39	-\$0.17	\$211.34	\$3.36	\$204.49	\$0.02	\$231.09	\$9.27
Ontario***	\$199.69	-\$3.87	\$208.32	\$0.34	\$199.10	-\$5.37	\$230.75	\$8.93
Québec	\$212.05	\$8.49	\$215.49	\$7.51	\$210.06	\$5.59	\$231.28	\$9.46
Tyson (USD)	\$147.58	-\$55.98	\$161.19	-\$46.79	\$148.31	-\$56.16	\$182.85	-\$38.97
John Morrell (USD)	\$140.58	-\$62.99	\$162.38	-\$45.60	\$143.98	-\$60.49	\$190.09	-\$31.73

\*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 recorded good strength on continued improvements in hog values despite some pressure from another rise in feed costs. Canadian farrow-to-finish feed costs were up \$2.50/hog while those in the monitored US region climbed closer to \$3/hog from a week earlier.

Hog margins out of Hylife strengthened \$10.50 to more than \$14.50/hog profits while the OlyW 20 strengthened near \$7.75 to \$13.75/hog profits. Hog margins out of Quebec improved \$3.75 while those out of Ontario strengthened shy of \$8, with each province's margins near \$11/hog profits. ML Sig 4 margins improved more than \$5.25 to \$6.50/hog profits while the OlyW 21 strengthened \$2 to \$2.75/hog profits. In the US, Tyson margins improved \$8 to \$18.75/hog profits while JM strengthened \$7.75 to \$27.75/hog profits from the previous week.

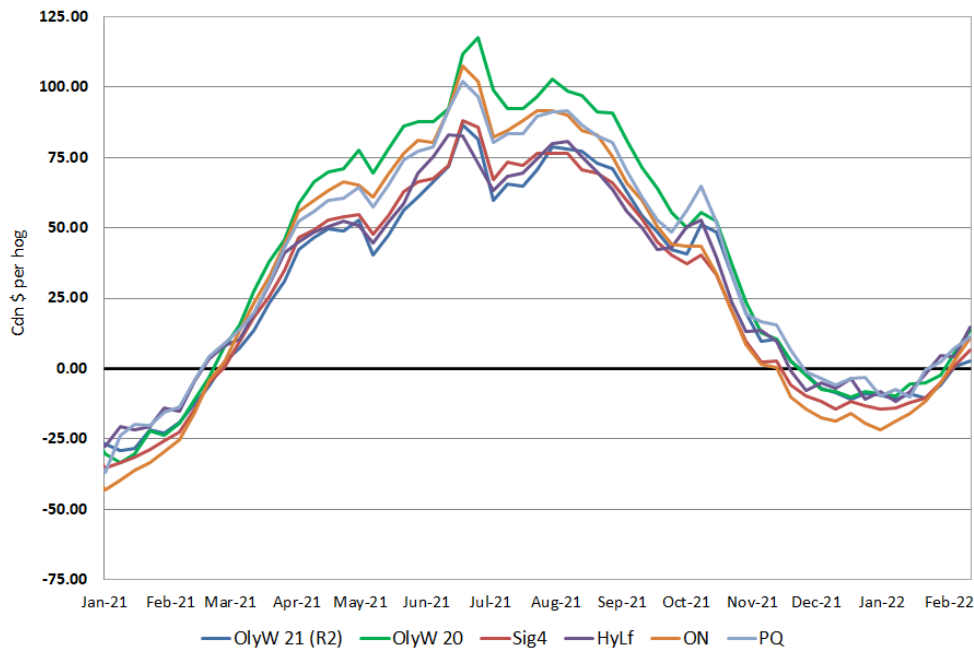
Regional MARGINS, \$/hog						
Packer/Region	11-Feb-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$232.86	\$159.62	\$39.45	\$20.05	\$219.12	\$13.74
OlyW 21 (R2)/Alberta	\$221.82	\$159.62	\$39.45	\$20.05	\$219.12	\$2.70
ML Sig 4/Manitoba	\$222.87	\$157.36	\$39.54	\$19.55	\$216.45	\$6.42
Hylife/Manitoba	\$231.09	\$157.37	\$39.54	\$19.55	\$216.46	\$14.63
Ontario	\$230.75	\$155.30	\$40.71	\$23.76	\$219.77	\$10.98
Québec	\$231.28	\$157.99	\$40.50	\$21.65	\$220.14	\$11.14
Tyson (USD)/Iowa	\$182.85	\$118.85	\$28.70	\$16.57	\$164.12	\$18.73
John Morrell (USD)/ND	\$190.09	\$117.12	\$28.70	\$16.57	\$162.39	\$27.70

\* Feed costs standardized for a 285 pound market hog

Tyson: \$18.73 USD x 1.2741 = \$23.86 CAD

Morrell: \$27.70 USD x 1.2741 = \$35.29 CAD

## Canadian Margins 2021-2022



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