



# Weekly Regional HOG PRICE Report



## Things to Consider....

Recent world events have caused commodity markets, amongst others, to experience volatility and uncertainty in recent weeks. Russia's ongoing invasion of Ukraine has put into place many geopolitical factors which are yet to be realized in the marketplace.

As reports of sanctions on Russia continue to trickle in from media sources, the overall impact of recent events is still being quantified. Given the magnitude of these events and unknown fallouts, the impact to livestock and feed markets remains up in the air.

In the short-term, however, the invasion of Ukraine by Russia's military has initiated buying of certain commodities including grains (wheat & corn) as well as offering underlying support to livestock markets including lean hogs. The strength in grains is expected as both Russia and Ukraine are large producers of both cereals and any threat of reduced production in 2022 and/or a reduction in exports could lead to fewer supplies in other world markets.

Lean hogs, which have already received support from reduced slaughter levels, due to 2020 and 2021 liquidation and severe disease pressures across the US Midwest and Canada, are now getting added fuel thrown on the fire with potential trade disruptions in the pork sector which could lead to additional export markets for US product.

## Canadian \$ Mar 2022

Canadian Dollar (DGH22) CME O:0.79150 H:0.79445 L:0.78785 C:0.78940 Δ:0.00095 (-0.12%)

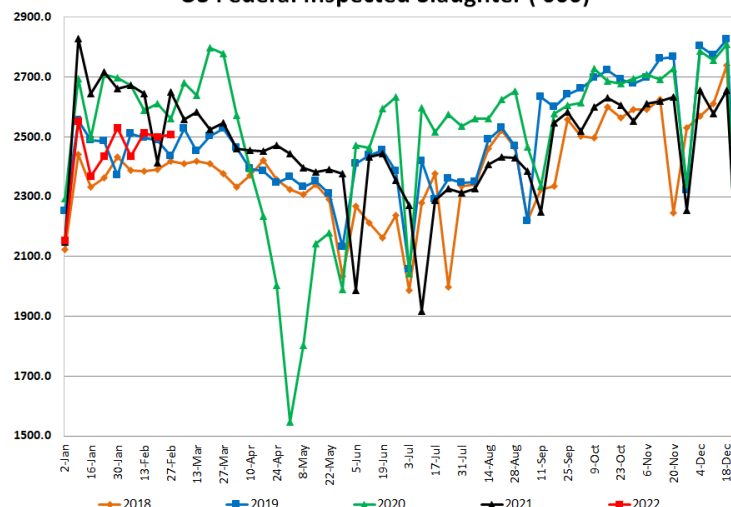


## June 2022 Lean Hogs

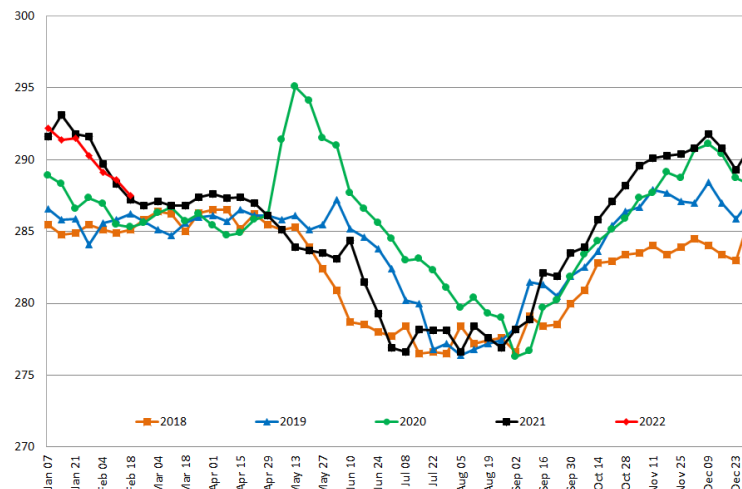
Lean Hogs (HEM22) CME O:117.400 H:117.450 L:116.175 C:117.025 Δ:0.575 (0.49%)



## US Federal Inspected Slaughter ('000)



## Weekly Average Barrow and Gilt Weight Live



## Weekly Hog Price Recap

Cash hogs primarily recorded increases in the week, however regional pricing went unreported for much of the week and national cash recorded a significant decline Friday. CME cash improved daily, with mid-week gains more modest than those recorded the remainder of the week. Wholesale pork values were mixed to lower during the week, however significant improvements Thursday in most primals helped weeklies average higher than a week earlier. US pork cutout rose \$7.18/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	18-Feb-22	Head	11-Feb-22		
ISM pm		\$94.68		\$89.98	\$4.69	5.2%
WCB pm		\$94.92		\$89.70	\$5.21	5.8%
Nat pm		\$88.54		\$81.31	\$7.23	8.9%
CME Index*		\$93.03		\$87.27	\$5.76	6.6%
Sows, 300-449lbs	13,321	\$64.81	14,179	\$58.05	\$6.76	11.6%
Sows, 500+ lbs	11,869	\$70.95	10,455	\$62.84	\$8.11	12.9%
BoC Exch		1.2719		1.2692	0.0027	0.2%

\* Represents Friday-Thursday average

Canadian market hog values improved significantly again this past week. Hog values out of Quebec were up the most, rising nearly \$18.50/hog, followed by those out of Ontario which were up near \$16/hog. Hylife hog values rose more than \$14.50/hog, while the ML Sig 4 was up \$12.25/hog. Hog values out of the OlyW 21 rose more than \$11.25/hog while the OlyW 20 was up \$11/hog, and the BP/TC climbed \$8/hog. In the US, hog values also recorded significant increases with Tyson up near \$8.50/hog while JM hog values rose more than \$10.75/hog from week ago levels.

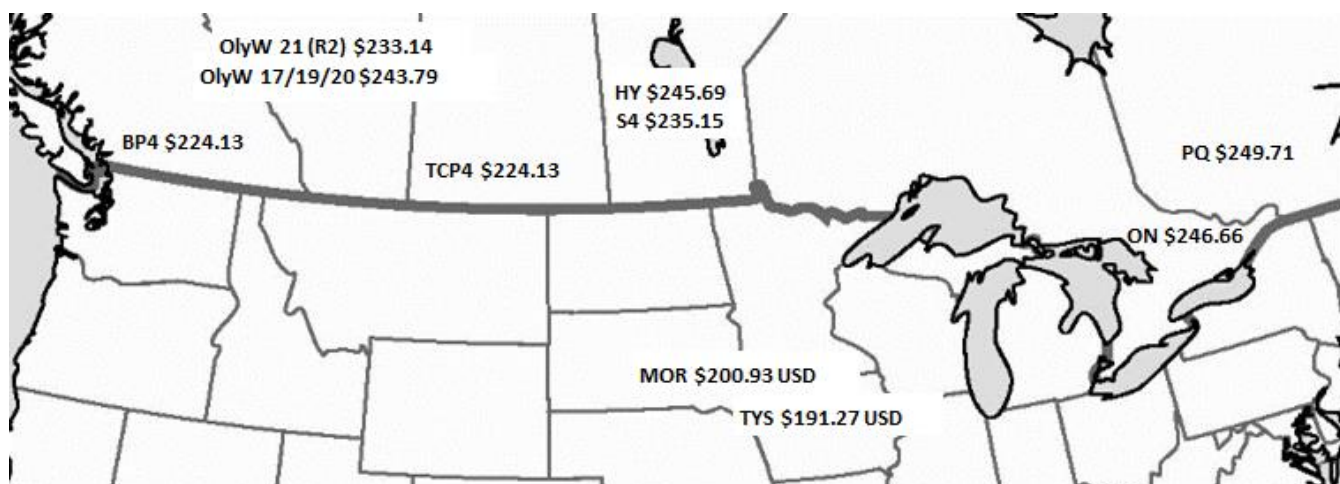
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 18-Feb-22	Difference to OlyW21
OlyW 2021 (R2)**	\$203.99		\$211.50		\$206.36		\$233.14	
OlyW 17/19/20*	\$200.41	-\$3.58	\$217.83	\$6.32	\$209.65	\$3.29	\$243.79	\$10.65
ML Sig 4	\$199.93	-\$4.06	\$209.88	-\$1.63	\$201.79	-\$4.58	\$235.15	\$2.01
BP4/TCP4	\$200.18	-\$3.81	\$205.08	-\$6.43	\$199.81	-\$6.56	\$224.13	-\$9.01
Hylife	\$203.96	-\$0.03	\$216.53	\$5.03	\$207.83	\$1.46	\$245.69	\$12.56
Ontario***	\$200.26	-\$3.73	\$213.80	\$2.30	\$202.96	-\$3.40	\$246.66	\$13.52
Québec	\$212.65	\$8.66	\$220.38	\$8.87	\$212.87	\$6.50	\$249.71	\$16.58
Tyson (USD)	\$148.05	-\$55.94	\$165.48	-\$46.02	\$152.67	-\$53.70	\$191.27	-\$41.87
John Morrell (USD)	\$141.17	-\$62.82	\$167.88	-\$43.62	\$150.15	-\$56.21	\$200.93	-\$32.21

\*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 as hog and pork values continue to rise, with another increase in feed costs partially tempering improvements. Farrow-to-finish feed costs were up near \$1.50/hog on either side of the Canadian/US border from a week earlier.

Hog margins out of Quebec strengthened more than \$16.75 to \$28/hog profits while Hylife was up \$13 to nearly \$27.75/hog profits. Hog margins out of Ontario improved \$14.25 to near \$25.25/hog, while those out of the OlyW 20 strengthened \$9.25 to \$23/hog profits. ML Sig 4 hog margins were up near \$10.75 to more than \$17/hog profits, while margins out of the OlyW 21 improved \$9.75 to \$12.50/hog profits. In the US, Tyson margins improved \$7 to \$25.75/hog profits while JM strengthened near \$9.50 to more than \$37/hog profits from the previous week.

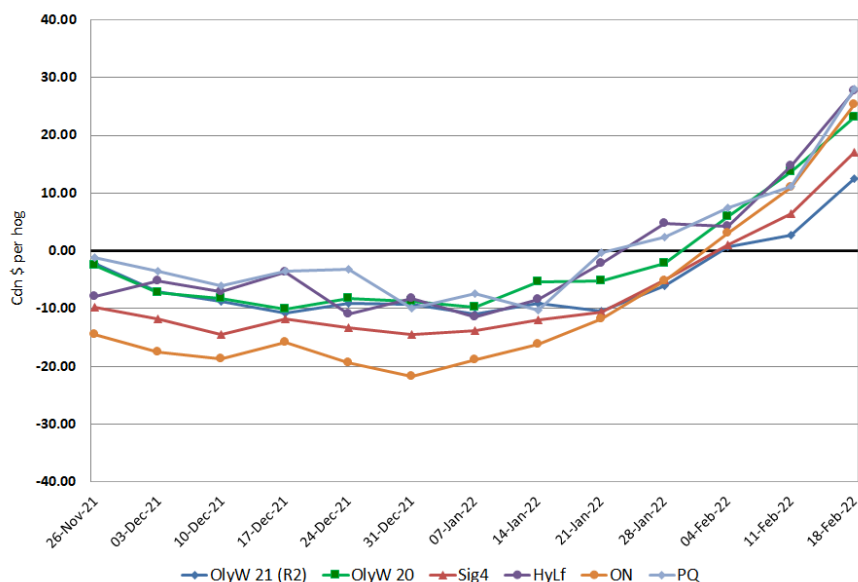
Regional MARGINS, \$/hog						
Packer/Region	18-Feb-22	Farrow to Finish			Total	Weekly
	Hog Price	Feed*	Variable	Fixed	COP	Margin
OlyW 20/Alberta	\$243.79	\$161.20	\$39.45	\$20.05	\$220.70	\$23.09
OlyW 21 (R2)/Alberta	\$233.14	\$161.20	\$39.45	\$20.05	\$220.70	\$12.44
ML Sig 4/Manitoba	\$235.15	\$158.94	\$39.54	\$19.55	\$218.03	\$17.12
Hylife/Manitoba	\$245.69	\$158.95	\$39.54	\$19.55	\$218.04	\$27.65
Ontario	\$246.66	\$156.88	\$40.71	\$23.76	\$221.35	\$25.31
Québec	\$249.71	\$159.57	\$40.50	\$21.65	\$221.72	\$27.99
Tyson (USD)/Iowa	\$191.27	\$120.29	\$28.70	\$16.57	\$165.56	\$25.71
John Morrell (USD)/ND	\$200.93	\$118.56	\$28.70	\$16.57	\$163.83	\$37.10

\* Feed costs standardized for a 285 pound market hog

Tyson: \$25.71 USD x 1.2743 = \$32.76 CAD

Morrell: \$37.10 USD x 1.2743 = \$47.27 CAD

## Canadian Margins Last 13 weeks



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