



Weekly Regional HOG PRICE Report



Things to Consider....

March 15, 2022

Retail pork prices continue well above year ago levels, with many reaching historical highs or highs for the month of February historically. Wholesale pork also hold high values, excluding hams and picnics which are more moderately under prices recorded last year.

Retail bacon prices continue to slide from the historical high reached last October at \$7.32/lb however the latest reported prices for February represent a high for the month historically, surpassing the previous high recorded in 2021 at \$5.78/lb. Current retail bacon prices are \$1.50/lb over the 3-year average for the month of February, and \$1.11/lb over the 3-year average. Wholesale belly values for February averaged \$194.75/cwt, up \$63.36 over the 3-year average. Notably, bellies in cold storage have reached a 21-month high at 50.1 million pounds.

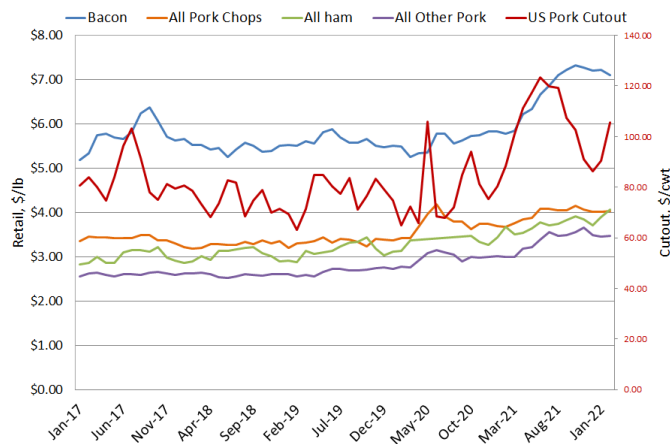
Retail chop prices climbed to a new historical high for the month of February, supported by a rise in boneless chops while the bone-in variety declined modestly yet represents a high for the month historically. The current retail price for all chops is \$0.57/lb over the 3-year average for the month of February. Wholesale loin values averaged \$105.07/cwt, up \$20.87 over the 3-year average.

Retail hams, which excludes items such as canned ham and luncheon slices, continue to climb higher with the category representing total hams as well as the boneless variety each reaching new historical highs. The current retail price for total hams is \$0.83/lb over the 3-year average for the month of February. Wholesale hams averaged \$74.90/cwt, up \$4.12 over the 3-year average. Notably, wholesale picnics averaged \$57.24/cwt, which is \$4.56 under the 3-year average.

Other pork, which also excludes items such as canned ham and luncheon slices, rose modestly yet also represents a new high for the month of February historically. The current retail price for other pork is \$0.70/lb over the 3-year average for the month of February.

Lean hog futures and cash hog markets continue to trade at or near seasonal highs providing opportunities in both markets. With cash on the rise, hog producers are destined to see increased returns which will help to alleviate skyrocketing feed costs. Forward contracts are also providing good opportunities as the remainder of 2022 can be considered some of the highest on record for production since 2014.

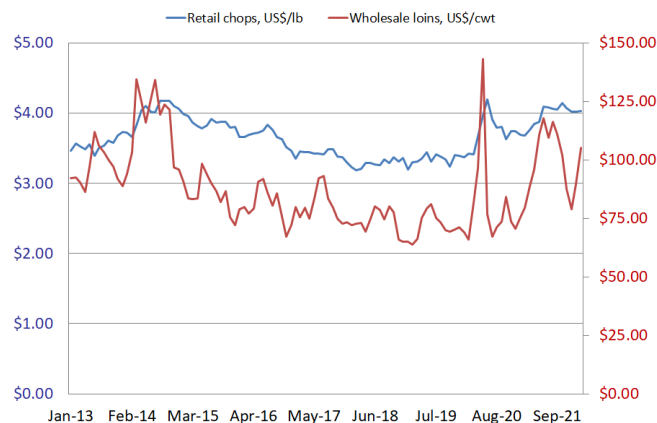
Monthly US Retail & Wholesale Pork



US Retail Pork Price, US\$/lb							
	Feb-21	Jan-22	Feb-22	m/m	y/y		
Bacon	\$5.78	\$7.22	\$7.10	-\$0.13	-1.7%	\$1.32	22.8%
All Pork Chops	\$3.68	\$4.02	\$4.03	\$0.01	0.3%	\$0.36	9.7%
chops, center cut, bone in	\$3.96	\$4.39	\$4.37	-\$0.03	-0.6%	\$0.40	10.2%
chops, boneless	\$4.14	\$4.37	\$4.45	\$0.08	1.7%	\$0.31	7.5%
All Ham	\$3.68	\$3.89	\$4.06	\$0.17	4.3%	\$0.38	10.2%
Hams, boneless uncanned	\$4.92	\$5.00	\$5.12	\$0.12	2.4%	\$0.20	4.0%
All Other Pork	\$3.00	\$3.45	\$3.48	\$0.03	0.8%	\$0.48	15.9%

National Pork (MPR) Primal Values							
	Feb-21	Jan-22	Feb-22	m/m	y/y		
Cutout	88.34	90.56	105.56	\$15.00	16.6%	\$17.22	19.5%
Loin	79.51	89.56	105.07	\$15.51	17.3%	\$25.57	32.2%
Butt	76.50	100.22	110.95	\$10.73	10.7%	\$34.45	45.0%
Picnic	57.80	59.62	57.24	-\$2.38	-4.0%	-\$0.56	-1.0%
Rib	148.99	155.27	159.26	\$3.99	2.6%	\$10.27	6.9%
Ham	78.33	64.91	74.90	\$9.99	15.4%	-\$3.43	-4.4%
Belly	146.52	148.14	194.75	\$46.61	31.5%	\$48.22	32.9%

Retail Chops VS Wholesale Loins



Weekly Hog Price Recap

Cash hogs improved for much of the week, with both regional and national cash up strongly Monday and up significantly Tuesday and Thursday while posting significant declines Friday. CME cash also improved overall, however recorded modest declines early on while declining into the week's end. Wholesale pork values fell overall, excluding ribs which ended higher, with US pork cutout \$2.55/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	11-Mar-22	Head	04-Mar-22		
ISM pm		\$109.18		\$100.84	\$8.34	8.3%
WCB pm		\$108.91		\$99.65	\$9.25	9.3%
Nat pm		\$103.04		\$94.79	\$8.24	8.7%
CME Index*		\$99.64		\$99.57	\$0.07	0.1%
Sows, 300-449lbs	12,714	\$78.42	12,863	\$74.87	\$3.55	4.7%
Sows, 500+ lbs	10,687	\$84.53	11,544	\$80.95	\$3.59	4.4%
BoC Exch		1.2719		1.2698	0.0021	0.2%

* Represents Friday-Thursday average

Canadian market hog values varied on the week. Hog values out of Quebec fell nearly \$4/hog, while the OlyW 21 declined closer to \$3.75/hog and values out of Hylife fell near \$1.50/hog. The OlyW 20 edged \$0.50/hog higher, the ML Sig 4 was up near \$2/hog, while hog values out of Ontario improved \$2.25/hog and BP/TC rose more than \$2.50/hog. Hog values in the US improved significantly, with Tyson rising more than \$13.25/hog while JM surged \$19.25/hog from week ago levels.

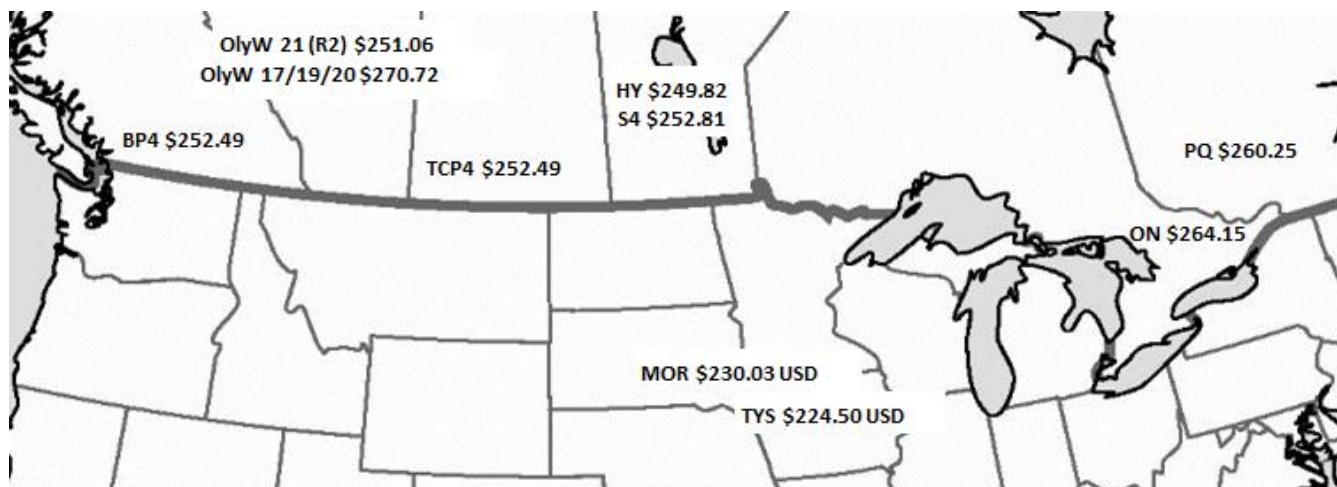
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 11-Mar-22	Difference to OlyW21
OlyW 2021 (R2)**	\$206.27		\$223.81		\$218.46		\$251.06	
OlyW 17/19/20*	\$202.69	-\$3.58	\$232.77	\$8.96	\$225.51	\$7.05	\$270.72	\$19.66
ML Sig 4	\$201.81	-\$4.45	\$222.15	-\$1.66	\$215.79	-\$2.67	\$252.81	\$1.75
BP4/TCP4	\$202.00	-\$4.27	\$217.45	-\$6.36	\$211.91	-\$6.55	\$252.49	\$1.43
Hylife	\$205.80	-\$0.47	\$226.39	\$2.57	\$220.62	\$2.16	\$249.82	-\$1.25
Ontario***	\$202.40	-\$3.86	\$228.19	\$4.38	\$219.84	\$1.38	\$264.15	\$13.09
Québec	\$214.80	\$8.53	\$232.86	\$9.05	\$226.63	\$8.17	\$260.25	\$9.19
Tyson (USD)	\$149.96	-\$56.31	\$179.80	-\$44.01	\$171.05	-\$47.41	\$224.50	-\$26.57
John Morrell (USD)	\$143.36	-\$62.91	\$182.17	-\$41.64	\$170.39	-\$48.07	\$230.03	-\$21.04

*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 were pressured this past week primarily due to a rise in feed costs, however some markets also recorded lower hog values. Canadian farrow-to-finish feed costs jumped \$4/hog while those out of the monitored region in the US were up \$2/hog from a week earlier.

Hog margins out the OlyW 20 weakened \$3.50 to nearly \$41.75/hog profits while those out of the OlyW 21 declined more than \$7.75 to \$22/hog profits. Margins out of Ontario were down \$1.75 to \$34.50/hog profits, while those out of Quebec weakened \$8 to more than \$30/hog profits. Hog margins off the ML Sig 4 fell more than \$2 to nearly \$26.50/hog profits, while those out of Hylife weakened \$5.50 to nearly \$23.50/hog profits. In the US, Tyson margins improved near \$11.25 to \$52.75/hog profits while JM strengthened \$17.25 to \$60/hog profits from the previous week.

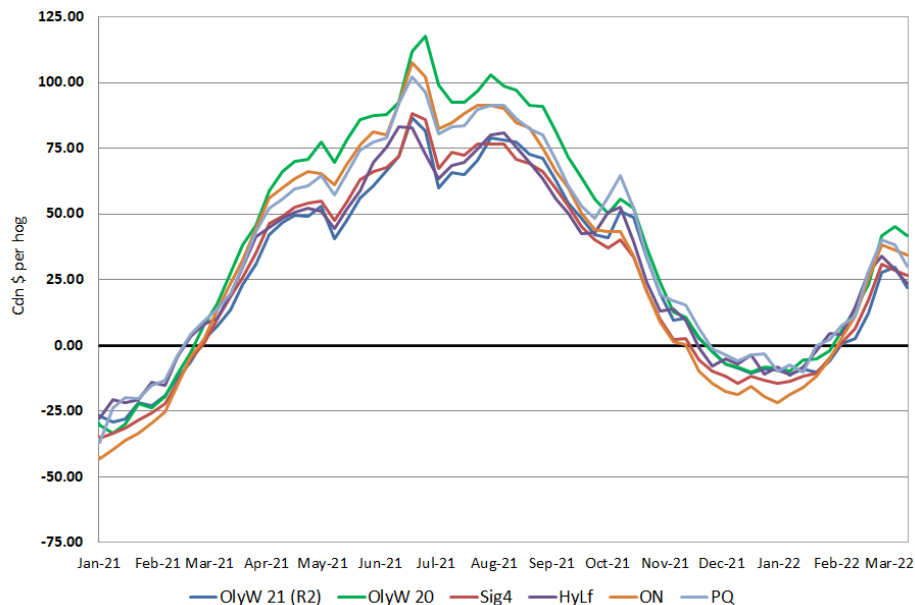
Regional MARGINS, \$/hog						
Packer/Region	11-Mar-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$270.72	\$169.57	\$39.45	\$20.05	\$229.07	\$41.65
OlyW 21 (R2)/Alberta	\$251.06	\$169.57	\$39.45	\$20.05	\$229.07	\$21.99
ML Sig 4/Manitoba	\$252.81	\$167.31	\$39.54	\$19.55	\$226.40	\$26.41
Hylife/Manitoba	\$249.82	\$167.32	\$39.54	\$19.55	\$226.41	\$23.41
Ontario	\$264.15	\$165.25	\$40.71	\$23.76	\$229.72	\$34.43
Québec	\$260.25	\$167.94	\$40.50	\$21.65	\$230.09	\$30.16
Tyson (USD)/Iowa	\$224.50	\$126.49	\$28.70	\$16.57	\$171.76	\$52.74
John Morrell (USD)/ND	\$230.03	\$124.76	\$28.70	\$16.57	\$170.03	\$60.00

* Feed costs standardized for a 285 pound market hog

Tyson: \$52.74 USD x 1.2803 = \$67.52 CAD

Morrell: \$60.00 USD x 1.2803 = \$76.82 CAD

Canadian Margins 2021-2022



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