



Weekly Regional HOG PRICE Report



Things to Consider....

March 1, 2022

Data recently released in March reported All North American Hogs and Pigs at 88.3 million head, up 903 thousand head or +1.0% from the previous report however were **3.0 million head or -3.3% under year ago levels**. Canadian All Hogs and Pigs fell 145 thousand head or -1.0% under the previous report and up 80 thousand head or +0.6% from last year.

North American Market hogs rose 944 thousand to 80.9 million head, up +1.2% from last reported and **3.0 million head or -3.6% under last year**. Canadian market hogs fell 144 thousand head or -1.1% under the previous report but was 76 thousand head or +0.6% over last year.

The North American Breeding herd declined half a percent or 41 thousand head under the inventories last reported in August for the Q1/Q2 2021 period, bringing the latest reporting period 8 thousand head or +0.1% over Q3/Q4 of 2020.

Canada's breeding herd edged a thousand head or -0.1% under the previous report but was 4 thousand head or +0.3% over last year. The US breeding herd at 6.18 M sows is the lowest breeding herd volume since December 2017.

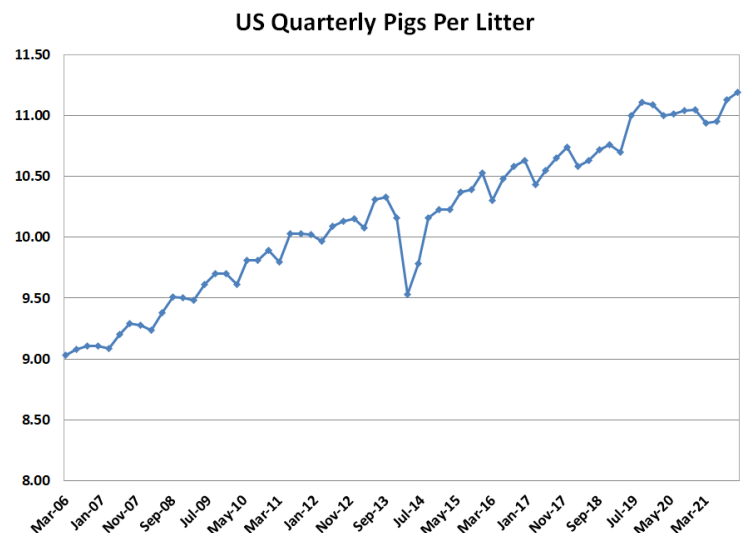
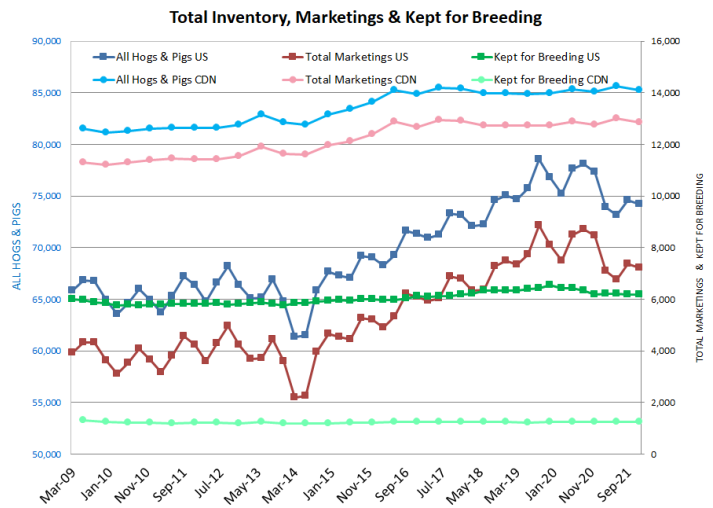
US & Canadian sows farrowed were reported +1.1% or 80 thousand head higher than the previously reported tally, however, came in -4.9% or 376 thousand head under last year. The pig crop rose +2.4% from Q1/Q2 2021 period however fell **-4.0% from year ago levels**. Sows farrowed in Canada fell 13 thousand head or -1.0% from last reported and is 8 thousand head or -0.6% under last year. Canada's pig crop was down 393 thousand head or -2.6% from the previous period and is 18 thousand head or -0.1% under last year.

Although US pigs per litter appear to be continuing an upward trajectory, recent reports from sow collection agencies indicate litter sizes could be reaching a plateau in the short-term. Fewer top performing farms in the US are showing the progress established over the past 2 decades.

Total pig numbers for 2022 do not appear burdensome which continue to offer support to the market heading in to the second and third quarter.

U.S. & Canadian Hogs					
December 2021 Update, Released March 2022 (1,000 head)					
	2020*	2021**	2021*	% Chg	% Chg
	Q3 & Q4	Q1 & Q2	Q3 & Q4	Q1&2 / Q3&4	Y/Y
All Hogs and Pigs	91,342	87,408	88,311	101.0%	96.7%
Kept for Breeding	7,433	7,482	7,441	99.5%	100.1%
Market Hogs	83,909	79,926	80,870	101.2%	96.4%
Market Hog Weight Groups					
Under 50 pounds	27,118	26,568	26,345	99.2%	97.1%
50-119 pounds	22,193	21,531	21,702	100.8%	97.8%
120-179 pounds	18,248	16,314	17,266	105.8%	94.6%
180 pounds and over	16,349	15,512	15,557	100.3%	95.2%
Sows Farrowed	7,686	7,230	7,310	101.1%	95.1%
Pig Crop	85,987	80,610	82,537	102.4%	96.0%

**Figures represented are US Jun-Nov US & CDN Jul-Dec.
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Weekly Hog Price Recap

Cash hogs varied, with national cash recording mid-week rises while declining the rest of the week. Regional cash went unreported for much of the week, primarily only recording mid-week rises however the WCB declined significantly Friday. CME cash improved near daily, with early gains up more strongly than moves recorded the latter half of the week. Wholesale pork values were mixed to higher during the week, with all primals excluding picnics averaging above the previous week. US pork cutout rose \$1.55/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	25-Feb-22	Head	18-Feb-22		
ISM pm		\$99.78		\$94.68	\$5.10	5.4%
WCB pm		\$97.21		\$94.92	\$2.29	2.4%
Nat pm		\$88.58		\$88.54	\$0.04	0.0%
CME Index*		\$97.98		\$93.03	\$4.95	5.3%
Sows, 300-449lbs	13,311	\$71.18	13,321	\$64.81	\$6.37	9.8%
Sows, 500+ lbs	10,140	\$77.72	11,869	\$70.95	\$6.77	9.5%
BoC Exch		1.2760		1.2719	0.0041	0.3%

* Represents Friday-Thursday average

Canadian market hog values continue to improve on climbing hog prices. The OlyW 20 surged \$18.25/hog, followed by those out of the OlyW 21 which rose \$15/hog. The ML Sig 4 was up more than \$13/hog, while hog values out of Ontario rose shy of \$12.75/hog and BP/TC hog values were up near \$12.50/hog. Hog values out of Quebec were up shy of \$12/hog, while Hylife climbed \$6/hog. In the US, Tyson surged more than \$12.50/hog while JM hog values rose \$4.75/hog from week ago levels.

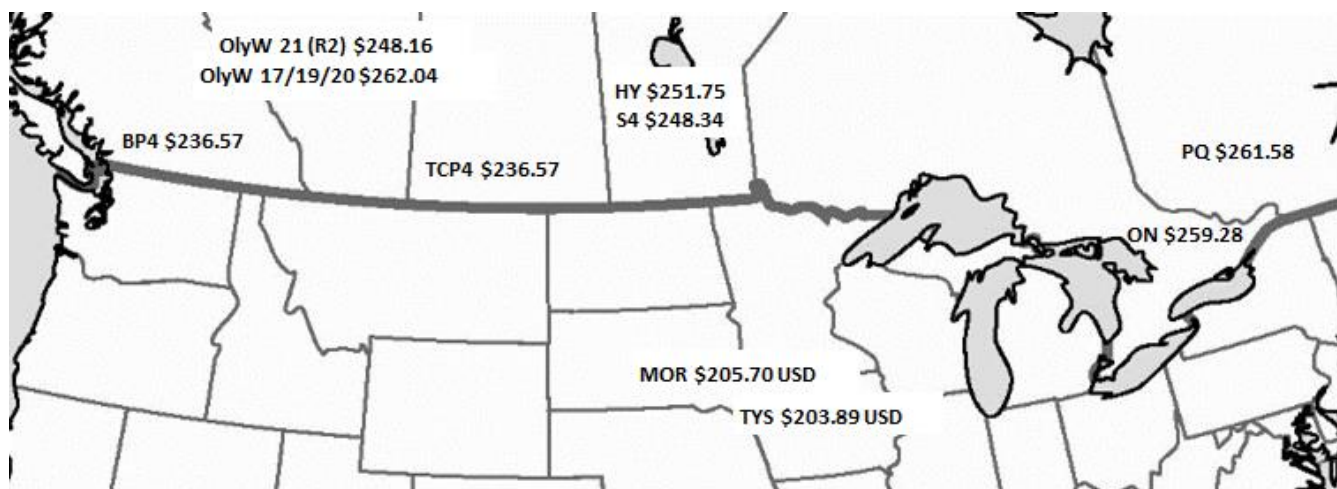
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 25-Feb-22	Difference to OlyW21
OlyW 2021 (R2)**	\$204.53		\$216.02		\$209.87		\$248.16	
OlyW 17/19/20*	\$201.03	-\$3.50	\$223.35	\$7.33	\$214.25	\$4.38	\$262.04	\$13.88
ML Sig 4	\$200.55	-\$3.98	\$214.73	-\$1.29	\$206.15	-\$3.72	\$248.34	\$0.18
BP4/TCP4	\$200.69	-\$3.85	\$209.01	-\$7.01	\$202.75	-\$7.12	\$236.57	-\$11.59
Hylife	\$204.56	\$0.03	\$220.94	\$4.92	\$212.27	\$2.40	\$251.75	\$3.59
Ontario***	\$200.93	-\$3.60	\$219.48	\$3.46	\$208.23	-\$1.64	\$259.28	\$11.12
Québec	\$213.34	\$8.81	\$225.53	\$9.50	\$217.26	\$7.39	\$261.58	\$13.42
Tyson (USD)	\$148.61	-\$55.92	\$170.29	-\$45.74	\$158.35	-\$51.52	\$203.89	-\$44.26
John Morrell (USD)	\$141.82	-\$62.71	\$172.61	-\$43.41	\$156.84	-\$53.03	\$205.70	-\$42.46

*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 continue to strengthen on further improvements in hog and pork values. Feed costs varied more modestly this past week, with Canadian farrow-to-finish feed costs slipping more than \$0.25/hog while those out of the monitored region in the US edging more than \$0.25/hog from a week earlier.

Hog margins out of OlyW 20 strengthened nearly \$18.75 to \$41.75/hog profits while those out of Quebec rose \$12.25 to \$40.25/hog profits. Hog margins out of Ontario improved \$13 to near \$38.25/hog, while those out of Hylife improved \$6.50 to \$34/hog profits. Hog margins out of the ML Sig 4 strengthened \$13.50 to nearly \$30.75/hog profits, while those off the OlyW 21 rose nearly \$15.50 to more than \$27.75/hog profits. In the US, Tyson margins strengthened \$12.25 to \$38/hog profits while JM rose nearly \$4.50 to \$41.50/hog profits from the previous week.

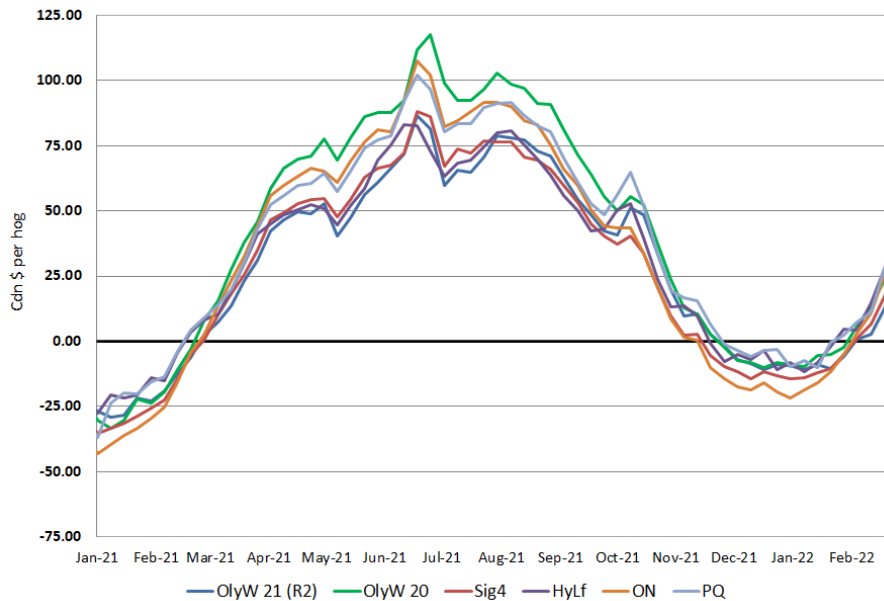
Regional MARGINS, \$/hog						
Packer/Region	25-Feb-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$262.04	\$160.82	\$39.45	\$20.05	\$220.32	\$41.72
OlyW 21 (R2)/Alberta	\$248.16	\$160.82	\$39.45	\$20.05	\$220.32	\$27.84
ML Sig 4/Manitoba	\$248.34	\$158.56	\$39.54	\$19.55	\$217.65	\$30.69
Hylife/Manitoba	\$251.75	\$158.57	\$39.54	\$19.55	\$217.66	\$34.09
Ontario	\$259.28	\$156.50	\$40.71	\$23.76	\$220.97	\$38.31
Québec	\$261.58	\$159.19	\$40.50	\$21.65	\$221.34	\$40.24
Tyson (USD)/Iowa	\$203.89	\$120.66	\$28.70	\$16.57	\$165.93	\$37.96
John Morrell (USD)/ND	\$205.70	\$118.93	\$28.70	\$16.57	\$164.20	\$41.50

* Feed costs standardized for a 285 pound market hog

Tyson: \$37.96 USD x 1.2708 = \$48.24 CAD

Morrell: \$41.50 USD x 1.2708 = \$52.74 CAD

Canadian Margins 2021-2022



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