



# Weekly Regional HOG PRICE Report



## Things to Consider....

The latest US livestock and meat trade data reflected total US pork exports at 486.2 million pounds for February, down 24.0 million pounds from January levels and 105.7 million pounds under last year. Notably, year ago levels and those recorded in 2020 for this time as well represented historical highs seasonally as the impact of the pandemic had already spurred an increase in pork purchases from the US (primarily to China). It's worth noting that current US export levels continue more in-line with recorded pre-pandemic levels.

US pork to Mexico recorded the largest decline on the latest report, falling 37.6 million pounds from the new historical high reached a month earlier. Despite the stronger decline, US pork to Mexico remains among the strongest recorded historically. US pork to South Korea dropped 8.2 million pounds in the latest data, a 6-year low for the month of February. Pork to the Dominican Republic fell 2.3 million pounds however continue at high levels historically, while pork to China\* slipped 1.8 million pounds with declines to the mainland partially offset by an increase to Hong Kong. Notably the portion of total US pork exports to China\* averaged 8.7% for February, down from the 15.1% for 12-month average, however is more in-line with pre-pandemic rates.

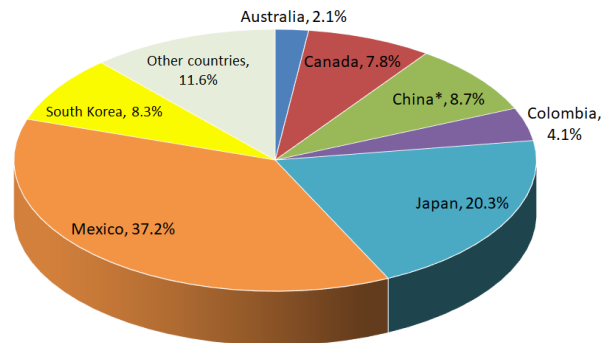
Japan recorded the greatest rise on the latest report, up 19.0 million pounds to rebound to more typical seasonal levels. The 12-month average for Japan's portion of total US pork exports is 17.4%, compared to 20.3% of total exports for February 2022. Australia increased imports of US pork by 3.8 million pounds in February however continues among the lowest recorded historically. Notably, exports to Australia reached a 13.5-year low in December, slipping under Sep 2008 at 5,076 thousand pounds.

Total US pork imports for February rose 7.9 million pounds or +7.3%, bringing current imports 41.7 million pounds or +55.6% above year ago levels. Imports from Canada increased 7.8 million pounds or +11.9% for February, bringing US imports from Canada 26.4 million pounds or +55.8% over year ago levels. Notably, the US imported 36.0 million pounds more pork from Canada than it exported to the country for the month of February.

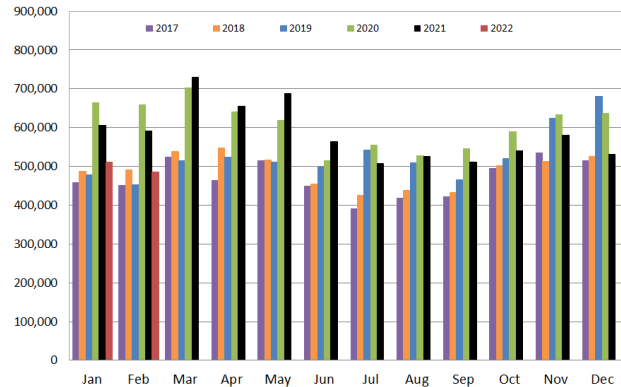
April 12, 2022

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Feb-21	Jan-22	Feb-22	M/M%	Y/Y%	YTD/LYTD%
Australia	22,534	6,173	9,980	61.7%	-55.7%	-63.1%
Canada	46,822	38,452	37,758	-1.8%	-19.4%	-17.4%
China*	142,747	44,132	42,341	-4.1%	-70.3%	-71.0%
Colombia	26,632	17,435	19,888	14.1%	-25.3%	-18.2%
Japan	99,051	79,551	98,582	23.9%	-0.5%	-10.9%
Mexico	127,736	218,301	180,722	-17.2%	41.5%	45.5%
South Korea	42,285	48,685	40,496	-16.8%	-4.2%	-3.4%
<b>All US Pork Exports</b>	<b>591,938</b>	<b>510,229</b>	<b>486,236</b>	<b>-4.7%</b>	<b>-17.9%</b>	<b>-16.8%</b>

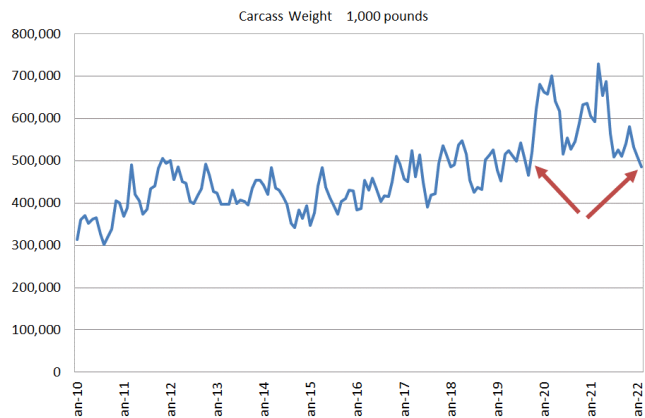
Percentage of Total US Pork Exports: Latest, Feb 2022



Total US Pork Exports  
Carcass Weight 1,000 pounds



10 Year Total US Pork Exports  
Carcass Weight 1,000 pounds



# Weekly Hog Price Recap

Cash hogs were recorded lower overall with heavier declines recorded at the start and end of the of the week. CME cash fell daily however at a more moderate pace compared to cash hogs. Wholesale pork primal values were mixed with lower bellies, butts and loins weighing US pork cutout \$1.16/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	08-Apr-22	Head	01-Apr-22		
ISM pm		\$102.32		\$106.70	-\$4.37	-4.1%
WCB pm		\$101.97		\$106.29	-\$4.32	-4.1%
Nat pm		\$99.99		\$103.59	-\$3.60	-3.5%
CME Index*		\$101.18		\$103.18	-\$2.00	-1.9%
Sows, 300-449lbs	12,834	\$91.69	12,055	\$88.68	\$3.01	3.4%
Sows, 500+ lbs	11,713	\$100.05	11,630	\$96.65	\$3.40	3.5%
BoC Exch		1.2525		1.2506	0.0019	0.2%

\* Represents Friday-Thursday average

Canadian market hog values generally fell \$1-\$5 per hog on the week, excluding the lagged BP/TC which improved near \$2.50/hog and hog values out of Quebec which dropped significantly. Hog values out of Ontario declined \$5.40/hog, followed by those out of Hylife which fell \$4.20/hog and the Sig 4 was down \$3/hog. The OlyW 20 fell \$1.35/hog and the OlyW 21 slipped \$0.80/hog from a week earlier. Quebec dropped \$42.70/hog from the week previous, as the implementation of a \$40 adjustment weighed heavily on hog values. In the US, Tyson declined \$6/hog while JM dropped \$9/hog from week ago levels.

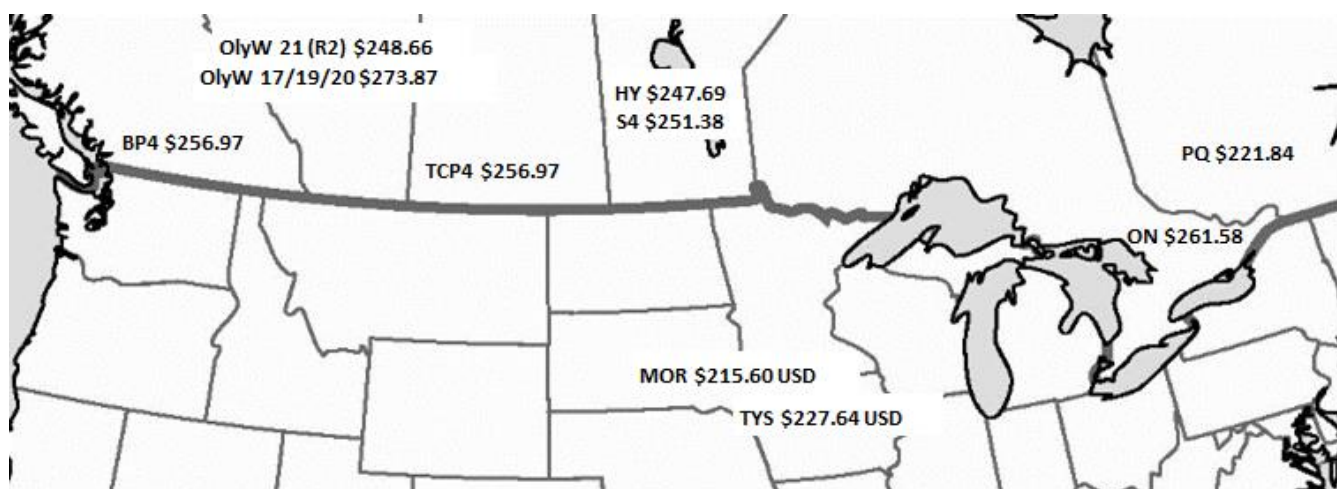
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 08-Apr-22	Difference to OlyW21
OlyW 2021 (R2)**	\$208.16		\$231.14		\$233.44		\$248.66	
OlyW 17/19/20*	\$204.88	-\$3.28	\$244.81	\$13.67	\$248.08	\$14.64	\$273.87	\$25.21
ML Sig 4	\$202.95	-\$5.21	\$230.15	-\$0.99	\$232.89	-\$0.55	\$251.38	\$2.72
BP4/TCP4	\$204.07	-\$4.09	\$228.29	-\$2.85	\$230.82	-\$2.63	\$256.97	\$8.31
Hylife	\$207.63	-\$0.53	\$233.05	\$1.91	\$235.98	\$2.53	\$247.69	-\$0.97
Ontario***	\$204.88	-\$3.28	\$238.58	\$7.45	\$242.03	\$8.58	\$261.58	\$12.92
Québec	\$217.03	\$8.86	\$238.60	\$7.46	\$241.13	\$7.69	\$221.84	-\$26.82
Tyson (USD)	\$152.73	-\$55.43	\$194.88	-\$36.26	\$198.55	-\$34.90	\$227.64	-\$21.02
John Morrell (USD)	\$145.99	-\$62.17	\$194.75	-\$36.39	\$198.68	-\$34.76	\$215.60	-\$33.06

\*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 weakened, pressured by a drop in hog values and a significant rise in feed costs. Canadian farrow-to-finish feed costs surged \$4.50/hog while those out of the monitored region in the US were up closer to \$3.85/hog from a week earlier.

Hog margins out the OlyW 20 continue as the strongest recorded in Canada, however weakened \$5.80 to \$44.65/hog profits on the week. Margins out of Ontario fell \$9.85 to \$31.75/hog profits, followed by those out of the ML Sig 4 which weakened \$7.40 to \$24.85/hog profits and Hylife which dropped \$8.70 to \$21.15/hog profits. The OlyW 21 fell \$5.25 to \$19.45/hog profits while hog margins out of Quebec weakened heavily, dropping \$47.15 to \$8.40/hog losses. In the US, Tyson margins dropped \$9.90 to \$53.90/hog profits while JM weakened \$12.85 to shy of \$43.60/hog profits from the previous week.

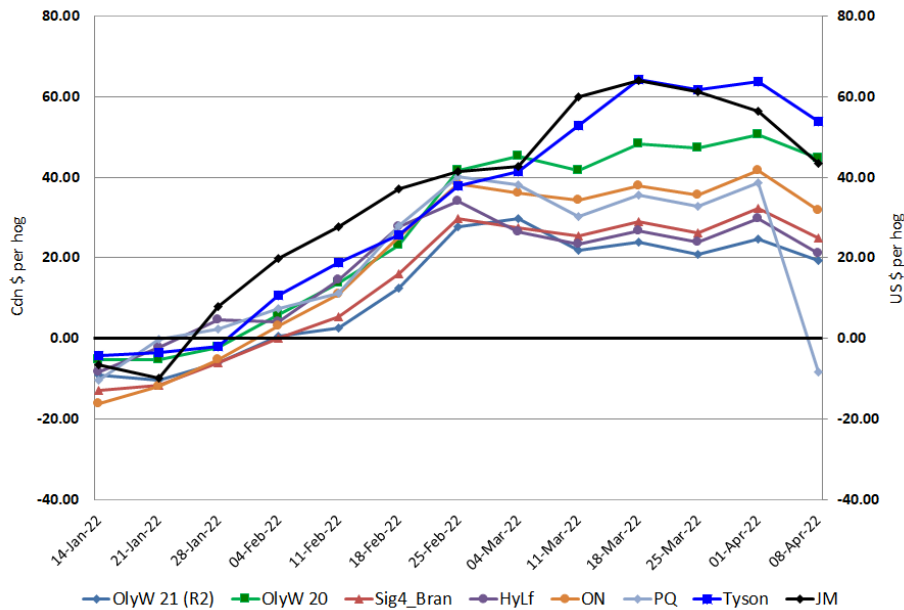
Regional MARGINS, \$/hog						
Packer/Region	08-Apr-22		Farrow to Finish		Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$273.87	\$169.70	\$39.45	\$20.05	\$229.20	\$44.67
OlyW 21 (R2)/Alberta	\$248.66	\$169.70	\$39.45	\$20.05	\$229.20	\$19.46
ML Sig 4/Manitoba	\$251.38	\$167.44	\$39.54	\$19.55	\$226.53	\$24.85
Hylife/Manitoba	\$247.69	\$167.45	\$39.54	\$19.55	\$226.54	\$21.15
Ontario	\$261.58	\$165.38	\$40.71	\$23.76	\$229.85	\$31.73
Québec	\$221.84	\$168.07	\$40.50	\$21.65	\$230.22	-\$8.38
Tyson (USD)/Iowa	\$227.64	\$128.48	\$28.70	\$16.57	\$173.75	\$53.89
John Morrell (USD)/ND	\$215.60	\$126.75	\$28.70	\$16.57	\$172.02	\$43.58

\* Feed costs standardized for a 285 pound market hog

Tyson: \$53.89 USD x 1.2617 = \$67.99 CAD

Morrell: \$43.58 USD x 1.2617 = \$54.98 CAD

## Canadian & US Margins Last 13 weeks



Disclaimer: Commodity Professionals Inc. presents this report as a snapshot of the market using current information available at the time of the report. These findings are for informational purposes only and should not be reproduced or transmitted by any means without permission. Commodity Professionals Inc. does not guarantee, and accepts no legal liability arising from or connected to, the accuracy, reliability, or completeness of any material contained in the publication.