



Weekly Regional HOG PRICE Report



Things to Consider....

March 22, 2022

The latest US Cold Storage numbers reported pork stocks at 480.4 million pounds for February, an increase of 45.9 million pounds from January however are 3.0 million pounds under year ago levels. For reference, total pork in cold storage for January was revised higher from 428.5 to 434.4 million pounds.

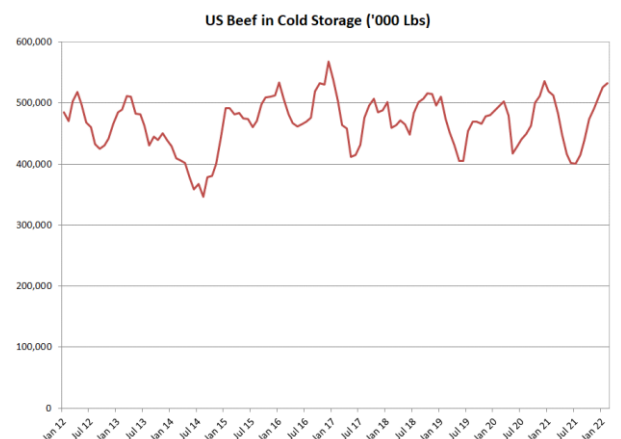
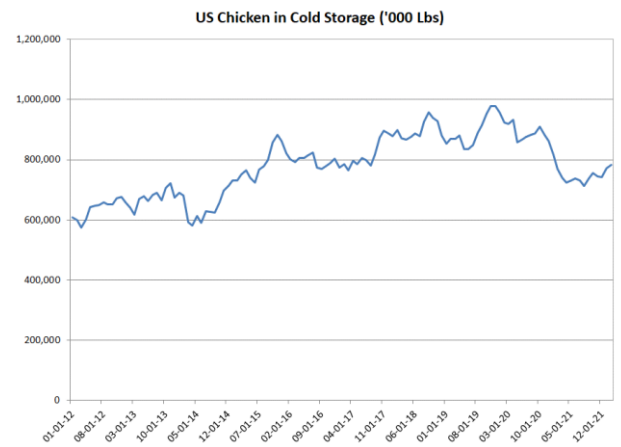
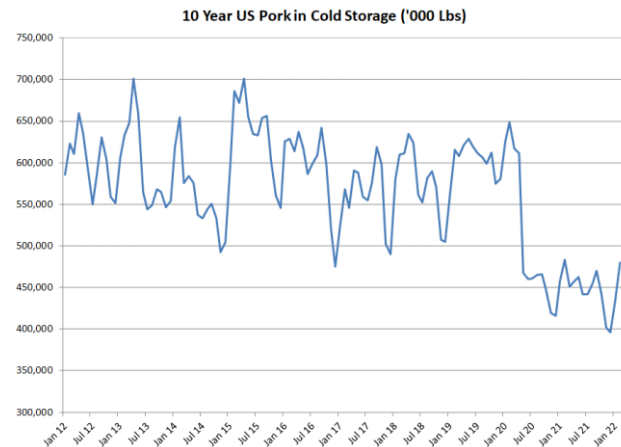
Most pork categories on the latest report reflected increased amounts with only “other pork” recording a moderate decline, down 1.7 million pounds from last reported and is 25.8 million pounds under year ago levels.

Total hams in cold storage rose 9.5 million pounds from January levels, with the bone-in variety up near 12.1 million pounds while the boneless variety edged 2.6 million pounds lower. Overall, total hams are 7.9 million pounds under last year. Supplies of spare-ribs jumped 11.6 million pounds into February, up 14.4 million pounds over year ago levels. Other categories such as total loins, bellies, trimmings and butts were each up generally 5-6 million pounds from January levels. Total loins rose 5.9 million pounds with the bone-in variety up 2.5 and boneless variety up 3.4 million pounds from the previous month, bringing total loins 2.5 million pounds under year ago levels. Bellies were up 5.4 million pounds from last reported, bringing current stocks 12.6 million pounds over last year. Trimmings rose 5.2 million pounds for February, up 12.9 million pounds from last year, while butts were up 4.9 million pounds from a month earlier and 1.9 million pounds over year ago levels.

Unclassified pork was up 3.1 million pounds, bringing current stocks 5.4 million pounds under last year, while picnics climbed 1.9 million pounds on the latest report to 72 thousand pounds under year ago levels, and variety meats edged 127 thousand pounds higher for February, with current levels 3.1 million lbs under last year.

As shown in the attached graphs, pork stocks over the last 10 years have experienced the greatest decline in comparison to other “center of the plate” proteins. Chicken in Cold storage has also recorded declines since 2019 but have not seen the drastic drop recorded in the pork sector. Strong demand worldwide and notable production declines in North America have led to the drop in pork, which now represents the lowest stocked meat of the big 3 after being the most stocked roughly a decade ago.

US Pork in Cold Storage					
('000 lbs)	Feb-22	Jan-22	Feb-21	M/M %	Y/Y %
Picnics	7,688	5,798	7,760	32.6%	-0.9%
Hams	84,249	74,775	92,122	12.7%	-8.5%
Bellies	50,139	44,707	37,556	12.2%	33.5%
Loins	43,486	37,636	45,968	15.5%	-5.4%
Ribs	107,744	96,114	93,391	12.1%	15.4%
Butts	23,611	18,664	21,687	26.5%	8.9%
Trimmings	54,019	48,860	41,149	10.6%	31.3%
Other	42,164	43,822	67,945	-3.8%	-37.9%
Total Pork	480,354	434,415	483,374	10.6%	-0.6%



Weekly Hog Price Recap

Cash hogs improved overall however faced late-week declines. Both national and regional cash recorded strong improvements Tuesday, while national cash and the WCB recorded heavier declines Friday and the ISM was down more Thursday. CME cash also improved overall yet recorded modest declines mid-week. Wholesale pork values were mixed to higher, however declines in hams and loins weighed US pork cutout \$0.74/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	18-Mar-22	Head	11-Mar-22		
ISM pm		\$110.45		\$109.18	\$1.27	1.2%
WCB pm		\$109.98		\$108.91	\$1.08	1.0%
Nat pm		\$105.46		\$103.04	\$2.43	2.4%
CME Index*		\$100.78		\$99.64	\$1.14	1.1%
Sows, 300-449lbs	11,601	\$81.73	12,714	\$78.42	\$3.32	4.2%
Sows, 500+ lbs	10,701	\$89.04	10,687	\$84.53	\$4.51	5.3%
BoC Exch		1.2714		1.2719	-0.0005	-0.0%

* Represents Friday-Thursday average

Canadian market hog values improved overall with those out of OlyW 20 up the most on the week, rising \$4.25/hog. Hog values out of Quebec rose \$3/hog, while BP/TCP was up \$2/hog. Hog values out of the Sig 4 were up near \$1.25/hog, followed by those out of Ontario and Hylife which were each up near \$1/hog. The OlyW 21 edged more than \$0.50/hog lower on the week. Hog values in the US again improved significantly, with Tyson rising more than \$9.75/hog while JM improved \$2.25/hog from week ago levels.

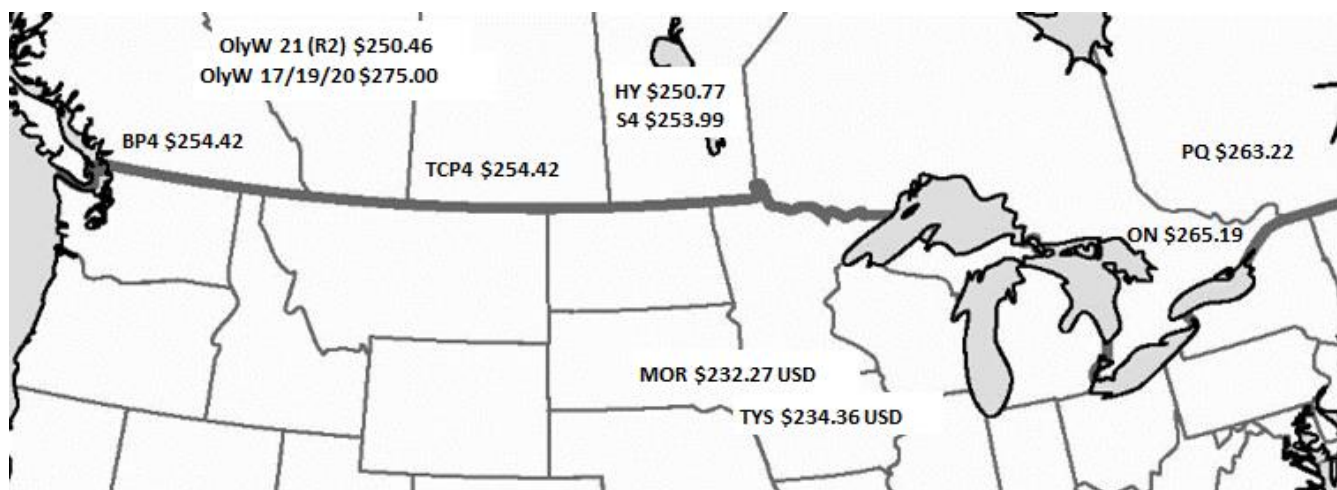
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 18-Mar-22	Difference to OlyW21
OlyW 2021 (R2)**	\$206.87		\$226.23		\$222.57		\$250.46	
OlyW 17/19/20*	\$203.39	-\$3.48	\$236.61	\$10.38	\$231.46	\$8.89	\$275.00	\$24.54
ML Sig 4	\$202.46	-\$4.41	\$225.05	-\$1.19	\$220.44	-\$2.12	\$253.99	\$3.53
BP4/TCP4	\$202.62	-\$4.25	\$220.81	-\$5.43	\$216.89	-\$5.67	\$254.42	\$3.96
Hylife	\$206.40	-\$0.47	\$228.60	\$2.36	\$224.24	\$1.67	\$250.77	\$0.30
Ontario***	\$203.16	-\$3.71	\$231.55	\$5.32	\$225.41	\$2.85	\$265.19	\$14.72
Québec	\$215.56	\$8.70	\$235.62	\$9.39	\$231.09	\$8.52	\$263.22	\$12.76
Tyson (USD)	\$150.76	-\$56.11	\$184.76	-\$41.48	\$178.17	-\$44.40	\$234.36	-\$16.10
John Morrell (USD)	\$144.21	-\$62.66	\$186.72	-\$39.51	\$178.03	-\$44.53	\$232.27	-\$18.20

*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 strengthened on the week, supported by improved hog values and a reduction in feed costs. Canadian farrow-to-finish feed costs fell nearly \$2.50/hog while those out of the monitored region in the US were down \$1.75/hog from a week earlier.

Hog margins out the OlyW 20 continue as the strongest recorded in Canada, rising \$6.75 to more than \$48.25/hog profits. Margins out of Ontario were up \$3.50 to \$38/hog profits, while those out of Quebec strengthened \$5.50 to \$35.50/hog profits and the ML Sig 4 margins improved nearly \$3.75 to \$30/hog profits. Hog margins out of Hylife improved nearly \$3.50 to more than \$26.75/hog profits, while the OlyW 21 was up more than \$1.75 to shy of \$24/hog profits. In the US, Tyson margins strengthened near \$11.50 to more than \$64.25/hog profits while JM improved \$4 to \$64/hog profits from the previous week.

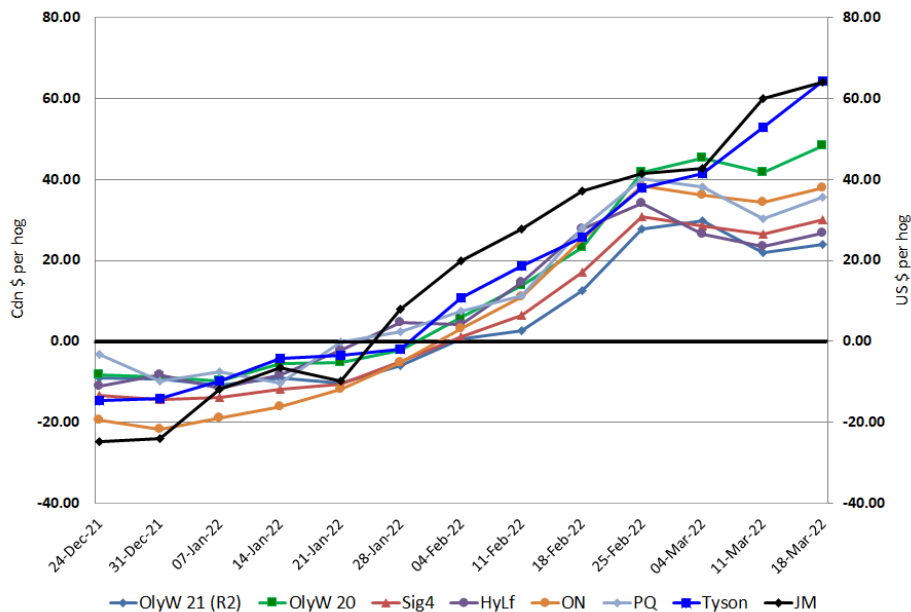
Regional MARGINS, \$/hog						
Packer/Region	18-Mar-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$275.00	\$167.12	\$39.45	\$20.05	\$226.62	\$48.38
OlyW 21 (R2)/Alberta	\$250.46	\$167.12	\$39.45	\$20.05	\$226.62	\$23.84
ML Sig 4/Manitoba	\$253.99	\$164.86	\$39.54	\$19.55	\$223.95	\$30.04
Hylife/Manitoba	\$250.77	\$164.87	\$39.54	\$19.55	\$223.96	\$26.81
Ontario	\$265.19	\$162.80	\$40.71	\$23.76	\$227.27	\$37.92
Québec	\$263.22	\$165.49	\$40.50	\$21.65	\$227.64	\$35.58
Tyson (USD)/Iowa	\$234.36	\$124.74	\$28.70	\$16.57	\$170.01	\$64.35
John Morrell (USD)/ND	\$232.27	\$123.01	\$28.70	\$16.57	\$168.28	\$63.99

* Feed costs standardized for a 285 pound market hog

Tyson: \$64.35 USD x 1.2588 = \$81.00 CAD

Morrell: \$63.99 USD x 1.2588 = \$80.55 CAD

Canadian & US Margins Last 13 weeks



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