



# Weekly Regional HOG PRICE Report



## Things to Consider....

March 29, 2022

The USDA's Quarterly Hogs & Pigs report was released Wednesday, March 30th reporting declines in nearly all categories.

All Hogs & Pigs fell -2.6% or 1,937 thousand head from the tally reported in December, bringing the latest inventory 1,724 thousand under March of last year. Kept for Breeding slipped -0.4% or 27 thousand from the total in December, which is 117 thousand under last year. Market hogs fell -2.8% or 1,910 thousand head from last quarter, which is 1,607 thousand head under last year. The March pig crop declined 1,962 thousand head or -5.8% from previously reported, bringing the pig crop 309 thousand head under year ago levels. Pigs per litter slipped -2.1% from the previous quarter to 10.95 pigs/litter for the Dec-Feb period, which is marginally higher than last year.

Industry estimates released prior to the report were again short on the decline as nearly every category came in below projections. The only category to report a higher number was market ready animals of 180 pounds and over which are nearly 4% below last year.

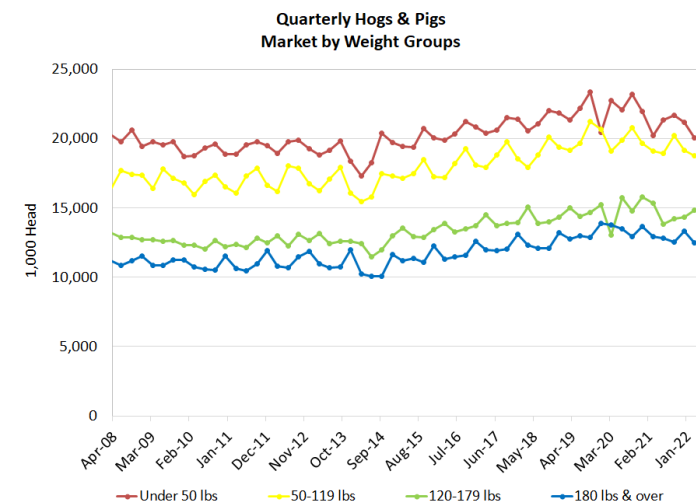
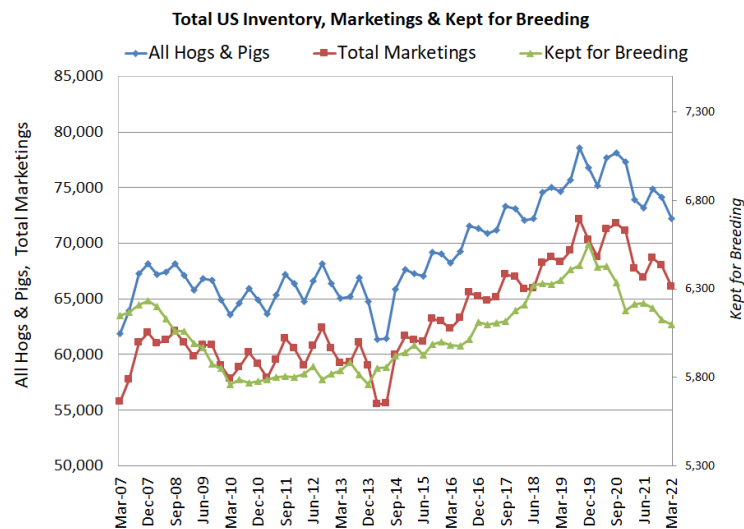
Since the peak of the breeding herd in December of 2019 when the US registered 6.551 million sows, Kept for Breeding numbers have declined continuously to the current level of 6.098 million. This drop of 453,000 sows is the lowest breeding herd seen since March of 2017 when the same number of breeding numbers were reported.

With approximately 1% fewer sows expected to be bred into the later half of 2022 as reported in the intentions, production numbers should not expect to see much if any increase over the current marketing's for at least another 12-18 months. Pork demand would need to continue at its robust rate to continue to support hog prices at the current head record levels.

### Revisions, as reported by the USDA:

"All inventory and pig crop estimates for March 2021 through December 2021 were reviewed using final pig crop, official slaughter, death loss, and updated import and export data. The revision made to the December 2021 all hogs and pigs inventory was 0.1 percent. The net revision made to the September 2021 all hogs and pigs inventory was 0.6 percent. A net revision of 0.1 percent was made to the June-August 2021 pig crop."

Quarterly H&P - Mar 2022	2021	2022	%22/21	Est's	%Act-Est
<b>All Hogs and Pigs</b>	73,933	72,209	97.7%	98.4%	-0.7%
<b>Kept for Breeding</b>	6,215	6,098	98.1%	99.4%	-1.3%
<b>Market Hogs</b>	67,718	66,111	97.6%	98.3%	-0.7%
<b>Mkt hog Wt. Groups</b>					
Under 50 pounds	20,238	20,045	99.0%	100.1%	-1.1%
50-119 pounds	19,138	18,765	98.1%	99.1%	-1.0%
120-179 pounds	15,375	14,833	96.5%	97.2%	-0.7%
180 pounds and over	12,966	12,468	96.2%	95.6%	0.6%
<b>Dec-Feb Pig Crop</b>	32,059	31,750	99.0%	100.4%	-1.4%
<b>Dec-Feb Pigs per Litter</b>	10.94	10.95	100.1%	100.2%	-0.1%
<b>Sows Farrowing</b>					
'21-'22 Dec-Feb	2,929	2,901	99.0%	100.2%	-1.2%
'22 Mar-May	3,034	2,988	98.5%	99.2%	-0.7%
'22 Jun-Aug	3,050	3,031	99.4%	100.6%	-1.2%



# Weekly Hog Price Recap

Cash hogs recorded declines for the better part of the week, however significant strength on rising days generally helped cash finish higher than the previous week. Regional cash recorded improvements early on while declining the latter half of the week, while national cash was up strongly Tuesday and Friday. CME cash improved overall, with modest declines recorded mid-week. Wholesale pork values also improved overall with only loins averaging below week ago levels. US pork cutout was \$1.95/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	25-Mar-22	Head	18-Mar-22		
ISM pm		\$110.04		\$110.45	-\$0.41	-0.4%
WCB pm		\$109.99		\$109.98	\$0.01	0.0%
Nat pm		\$106.46		\$105.46	\$1.00	0.9%
CME Index*		\$101.71		\$100.78	\$0.93	0.9%
Sows, 300-449lbs	12,097	\$85.47	11,601	\$81.73	\$3.74	4.6%
Sows, 500+ lbs	10,951	\$92.88	10,701	\$89.04	\$3.83	4.3%
BoC Exch		1.2560		1.2714	-0.0154	-1.2%

\* Represents Friday-Thursday average

Canadian market hog values were primarily lower, excluding some markets derived from lagged base-pricing. Hog values out of the OlyW 21 as well as Hylife declined \$1.20/hog, followed by those out of Quebec and the ML Sig 4 which were each down closer to \$1.10/hog and Ontario fell near \$0.65/hog. BP/TC hog values improved \$1.20/hog while the OlyW 20 climbed \$0.55/hog from the previous week. Hog values in the US improved modestly, with Tyson up \$0.30/hog while JM was nearly unchanged from week ago levels.

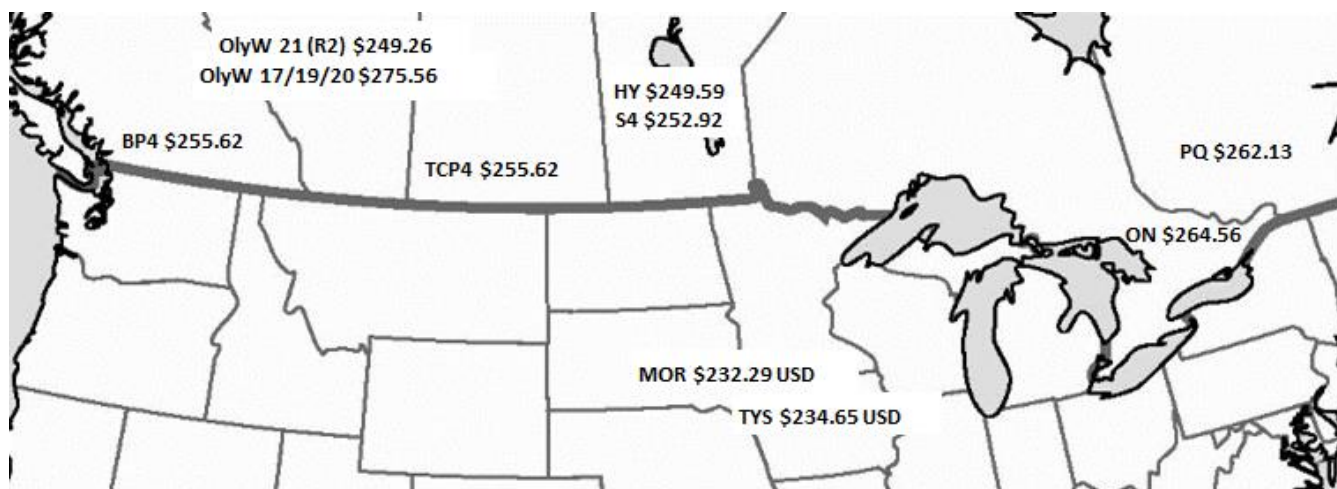
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 25-Mar-22	Difference to OlyW21
OlyW 2021 (R2)**	\$207.42		\$228.15		\$226.17		\$249.26	
OlyW 17/19/20*	\$204.05	-\$3.38	\$239.86	\$11.70	\$237.01	\$10.84	\$275.56	\$26.30
ML Sig 4	\$203.08	-\$4.34	\$227.37	-\$0.78	\$224.85	-\$1.32	\$252.92	\$3.66
BP4/TCP4	\$203.18	-\$4.24	\$223.71	-\$4.44	\$221.61	-\$4.56	\$255.62	\$6.36
Hylife	\$206.94	-\$0.49	\$230.36	\$2.21	\$228.22	\$2.05	\$249.59	\$0.33
Ontario***	\$203.89	-\$3.54	\$234.30	\$6.15	\$230.94	\$4.77	\$264.56	\$15.30
Québec	\$216.31	\$8.89	\$237.83	\$9.68	\$235.14	\$8.97	\$262.13	\$12.87
Tyson (USD)	\$151.56	-\$55.86	\$188.92	-\$39.24	\$185.36	-\$40.81	\$234.65	-\$14.61
John Morrell (USD)	\$144.97	-\$62.45	\$190.52	-\$37.63	\$185.95	-\$40.22	\$232.29	-\$16.97

\*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 week on the general decline in hog values and a rise in feed costs. Canadian farrow-to-finish feed costs were up \$1.75/hog while those out of the monitored region in the US rose closer to \$2.80/hog from a week earlier.

Hog margins out the OlyW 20 continue as the strongest recorded in Canada, however slipped \$1.20 to \$47.20/hog profits on the week. Margins out of Ontario were down \$2.40 to \$35.55/hog profits, while those out of Quebec and the ML Sig 4 each weakened \$2.85 to \$32.75 and \$27.20 per hog profits respectively. Hog margins out of Hylife as well as the OlyW 21 each weakened \$3 to \$23.90 and \$20.90 per hog profits respectively. In the US, Tyson margins fell \$2.55 to \$61.80/hog profits while JM weakened \$2.80 to \$61.20/hog profits from the previous week.

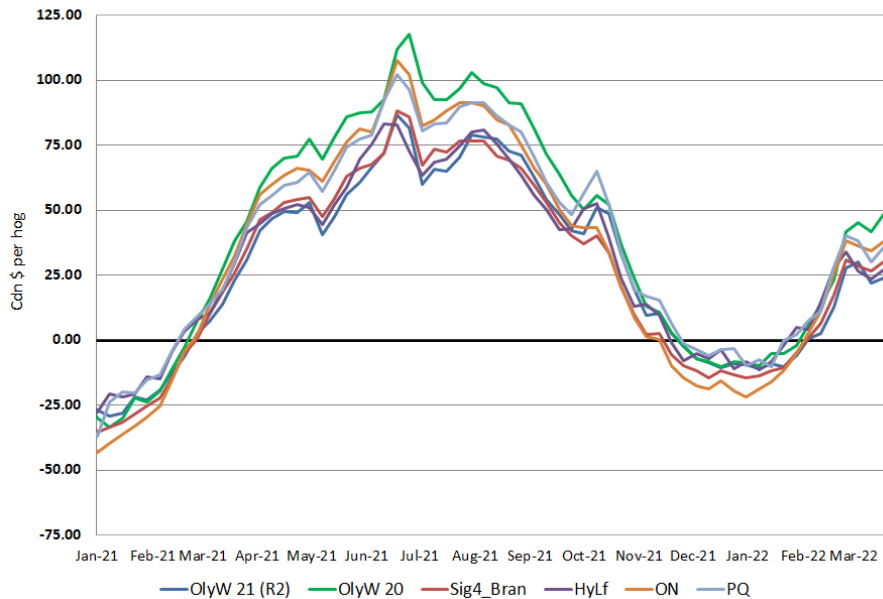
Regional MARGINS, \$/hog						
Packer/Region	25-Mar-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$275.56	\$168.87	\$39.45	\$20.05	\$228.37	\$47.19
OlyW 21 (R2)/Alberta	\$249.26	\$168.87	\$39.45	\$20.05	\$228.37	\$20.89
ML Sig 4/Manitoba	\$252.92	\$166.61	\$39.54	\$19.55	\$225.70	\$27.22
Hylife/Manitoba	\$249.59	\$166.62	\$39.54	\$19.55	\$225.71	\$23.88
Ontario	\$264.56	\$164.55	\$40.71	\$23.76	\$229.02	\$35.54
Québec	\$262.13	\$167.24	\$40.50	\$21.65	\$229.39	\$32.74
Tyson (USD)/Iowa	\$234.65	\$127.56	\$28.70	\$16.57	\$172.83	\$61.82
John Morrell (USD)/ND	\$232.29	\$125.83	\$28.70	\$16.57	\$171.10	\$61.19

\* Feed costs standardized for a 285 pound market hog

Tyson: \$61.82 USD x 1.2509 = \$77.33 CAD

Morrell: \$61.19 USD x 1.2509 = \$76.54 CAD

Canadian Margins 2021-2022



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