



Weekly Regional HOG PRICE Report



Things to Consider....

April 19, 2022

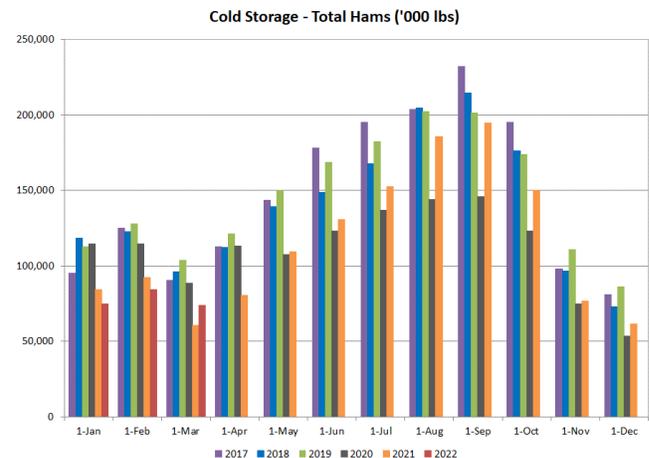
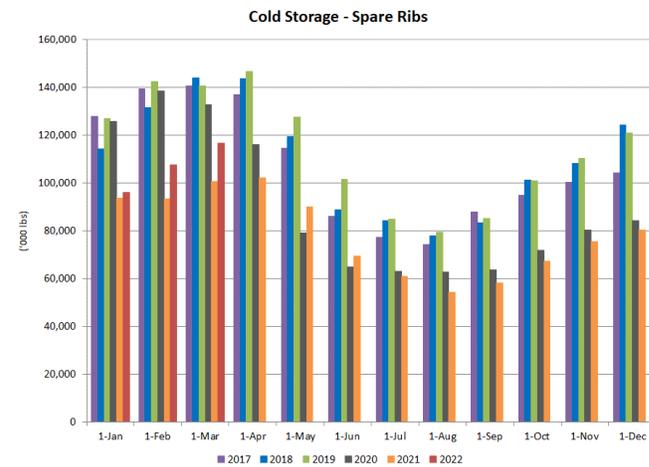
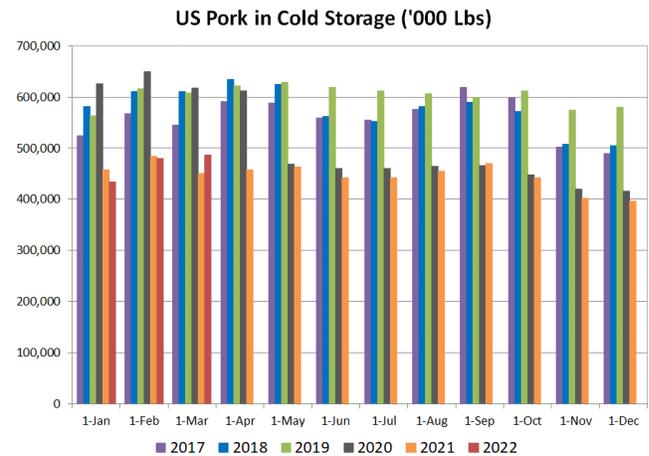
The latest US Cold Storage numbers reported pork stocks at 487.2 million pounds for March, an increase of 7.3 million pounds from February and 36.1 million pounds over year ago levels. For reference, total pork in cold storage for February was revised higher from 480.4 to 479.9 million pounds.

Lessened amounts of hams, loins, butts in cold storage were generally offset by increases in spareribs and bellies. Total hams fell 10.2 million pounds on the month, primarily driven by a drop in the bone-in variety, bringing hams 13.3 million pounds over March 2021. Typically, March represents the low of the year for hams in storage and they have historically climbed from April onward to peak in September. Loins declined 3.2 million pounds for March with bone-in and boneless varieties each down around 1.6 million pounds from the previous month, with total loins in storage 7.8 million pounds under last year. Butts in cold storage were down 3.0 million pounds from February, however, are 2.5 million over year ago levels. Trimmings also recorded a decline from February levels, down 1.0 million pounds from a month earlier however 12.8 million pounds over March 2021.

Spareribs in cold storage rose 9.0 million pounds in March, bringing stocks 16.0 million pounds over time this last year, while bellies were up 6.6 million pounds on the month and 21.4 million pounds over year ago levels. The category accounting for other pork in cold storage rose 4.9 million pounds in March however are 20.9 million pounds under last year, while variety meats were up 2.6 million pounds on the month but only 741 thousand pounds under year ago levels. Picnics rose 1.9 million pounds on the latest report and are 2.0 million pounds over March 2021.

Total pork stocks registered a monthly year over year increase for the first time in nearly 24 months, dating back to April of 2020. The slight increase in pork stocks compared to a year previously coupled with the recently reported decline in exports is a contributing factor in the softening of the forward markets. Although a major move below \$100 US per cwt in cash is not projected in the coming months a ceiling appears to have been set in futures from the highs reached back in late March.

US Pork in Cold Storage					
('000 lbs)	Mar-22	Feb-22	Mar-21	M/M %	Y/Y %
Picnics	9,538	7,688	7,564	24.1%	26.1%
Hams	74,055	84,248	60,776	-12.1%	21.8%
Bellies	56,779	50,139	35,398	13.2%	60.4%
Loins	39,792	43,026	47,628	-7.5%	-16.5%
Ribs	116,749	107,744	100,710	8.4%	15.9%
Butts	20,658	23,611	18,152	-12.5%	13.8%
Trimmings	52,981	54,019	40,173	-1.9%	31.9%
Other	47,096	42,164	68,012	11.7%	-30.8%
Total Pork	487,190	479,891	451,042	1.5%	8.0%



Weekly Hog Price Recap

Cash hogs were recorded mixed with regional cash up early on while declining into the end of the week while national cash improved only Tuesday. Alternatively, CME cash declined in the front-half of the week while improving the latter half. Wholesale pork primal values improved overall with only butts averaging under the previous week, with US pork cutout ended \$4.10/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	15-Apr-22	Head	08-Apr-22		
ISM pm		\$101.26		\$102.32	-\$1.06	-1.0%
WCB pm		\$101.34		\$101.97	-\$0.63	-0.6%
Nat pm		\$98.22		\$99.99	-\$1.77	-1.8%
CME Index*		\$99.55		\$101.18	-\$1.63	-1.6%
Sows, 300-449lbs	12,364	\$91.99	12,834	\$91.69	\$0.31	0.3%
Sows, 500+ lbs	9,036	\$100.87	11,713	\$100.05	\$0.82	0.8%
BoC Exch		1.2612		1.2525	0.0087	0.7%

* Represents Friday-Thursday average

Canadian market hog values generally fell \$1-\$6 per hog on the week. Markets with lagged base pricing were among those which declined the most. The OlyW 20 fell \$5.85/hog, while the OlyW 21 as well as hog values out of Quebec each fell \$3.60/hog, and BP/TC declined \$3/hog. Hog values out of Ontario and the ML Sig 4 were each down near \$1.90/hog, while Hylife was down shy of \$0.90/hog from the previous week. In the US, Tyson fell \$4.50/hog while JM was down \$1.30/hog from week ago levels.

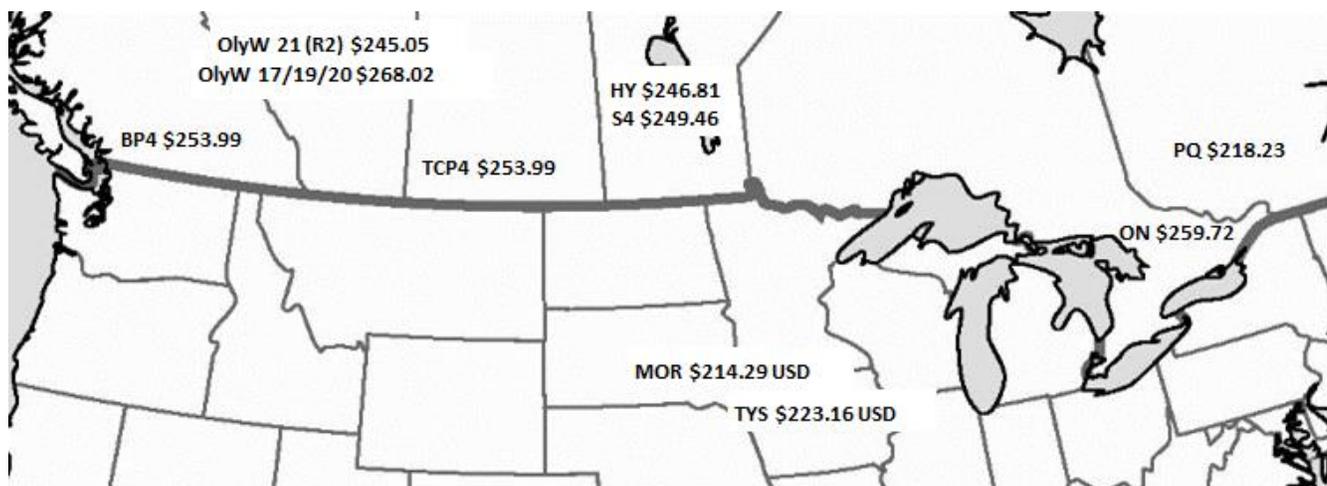
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 15-Apr-22	Difference to OlyW21
OlyW 2021 (R2)**	\$208.49		\$232.07		\$236.79		\$245.05	
OlyW 17/19/20*	\$205.22	-\$3.27	\$246.36	\$14.29	\$252.90	\$16.11	\$268.02	\$22.96
ML Sig 4	\$203.35	-\$5.14	\$231.44	-\$0.63	\$237.07	\$0.28	\$249.46	\$4.41
BP4/TCP4	\$204.62	-\$3.87	\$230.00	-\$2.07	\$235.25	-\$1.54	\$253.99	\$8.94
Hylife	\$207.96	-\$0.53	\$234.06	\$1.99	\$239.60	\$2.81	\$246.81	\$1.76
Ontario***	\$205.28	-\$3.21	\$239.99	\$7.93	\$246.98	\$10.20	\$259.72	\$14.66
Québec	\$217.26	\$8.77	\$237.24	\$5.17	\$242.42	\$5.63	\$218.23	-\$26.82
Tyson (USD)	\$153.20	-\$55.29	\$196.76	-\$35.30	\$203.96	-\$32.83	\$223.16	-\$21.90
John Morrell (USD)	\$146.34	-\$62.14	\$196.05	-\$36.02	\$203.72	-\$33.07	\$214.29	-\$30.76

*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 by declining market hog values and another rise in feed costs. Canadian farrow-to-finish feed costs rose \$2.15/hog while those out of the monitored region in the US were up \$0.50/hog from a week earlier.

Hog margins out the OlyW 20 continue as the strongest recorded in Canada, however weakened \$8 to \$26.40/hog profits on the week. Margins out of Ontario fell \$3 to \$18.40/hog profits, followed by those out of the ML Sig 4 which weakened \$3.15 to \$11.45/hog profits. Hylife margins weakened \$2.10 to \$8.80/hog profits, while the OlyW 21 fell \$5.80 to \$3.40/hog profits. Hog margins out of Quebec continue in the red, dropping \$4.70 to \$23.35/hog losses. In the US, Tyson margins dropped \$5 to \$38.90/hog profits while JM weakened \$1.80 to \$31.75/hog profits from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	15-Apr-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$268.02	\$178.13	\$41.45	\$22.05	\$241.63	\$26.39
OlyW 21 (R2)/Alberta	\$245.05	\$178.13	\$41.45	\$22.05	\$241.63	\$3.42
ML Sig 4/Manitoba	\$249.46	\$174.93	\$41.54	\$21.55	\$238.02	\$11.44
Hylife/Manitoba	\$246.81	\$174.93	\$41.54	\$21.55	\$238.02	\$8.79
Ontario	\$259.72	\$172.86	\$42.71	\$25.76	\$241.33	\$18.39
Québec	\$218.23	\$175.43	\$42.50	\$23.65	\$241.58	-\$23.35
Tyson (USD)/Iowa	\$223.16	\$134.98	\$30.70	\$18.57	\$184.25	\$38.91
John Morrell (USD)/ND	\$214.29	\$133.25	\$30.70	\$18.57	\$182.52	\$31.77

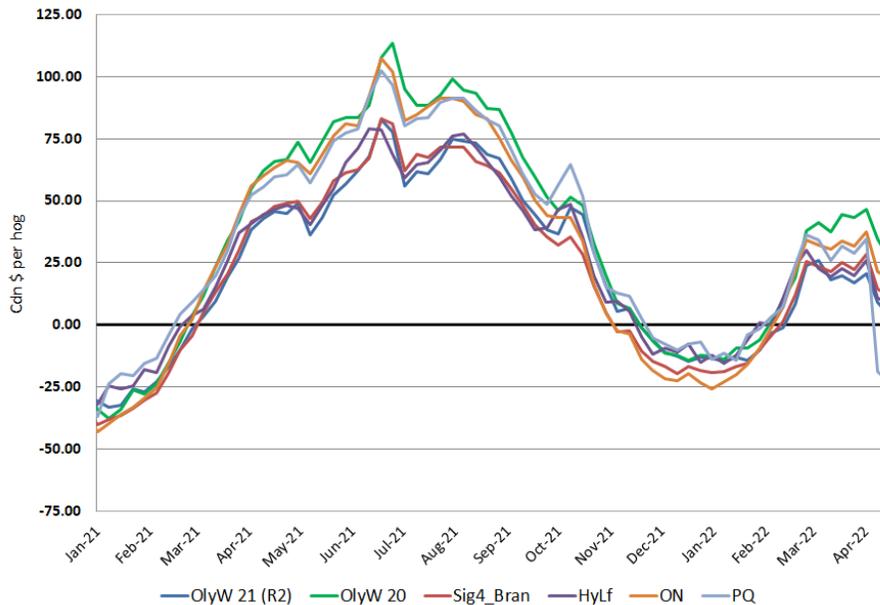
* Feed costs standardized for a 285 pound market hog

* Feed costs were assessed and an annual increase has been applied for the week of April 8, 2022 onward

Tyson: \$38.91 USD x 1.2624 = \$49.12 CAD

Morrell: \$31.77 USD x 1.2624 = \$40.11 CAD

Canadian Margins 2021-2022



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