



Weekly Regional HOG PRICE Report



Things to Consider....

May 31, 2022

The latest data for Canadian pork exports recorded March at 137.1 million KGM, the second highest historically, up +17.6% from February and -1.0% from year ago levels which represent the historical high. Export values declined overall at \$3.05/KGM, down \$0.14 or -4.3% from the previous month and \$0.28 or -8.3% under last year.

Notably Canadian pork exports to the US reached a new historical high of 45.2 million KGM, surpassing the previous high recorded in October 2014 at 44.2 million KGM.

Total swine carcass and cut exports increased +17.0% from February to 85.6 million KGM for March, bringing them +3.4% over a year earlier. For perspective, their March values at \$3.37/KGM declined -6.3% from Feb and -11.1% under last year.

Total ham exports increased +11.6% for March at 28.0 million KGM bringing them -9.0% under last year. For perspective they valued at \$2.62/KGM for March, climbing +3.1% from February however was -11.8% under year ago levels.

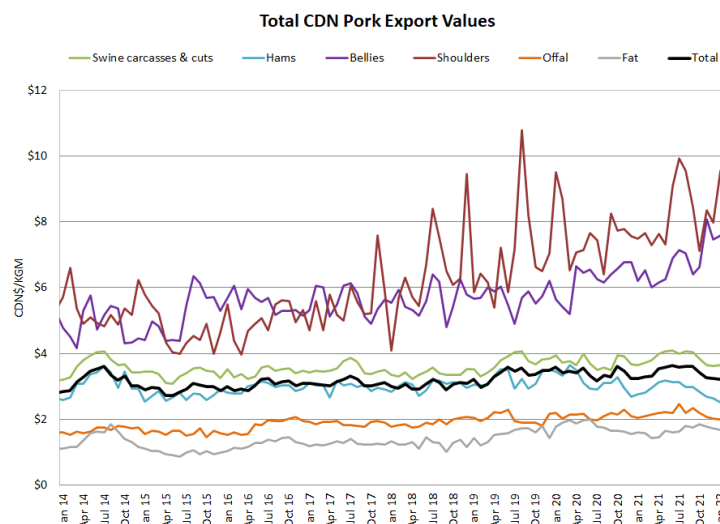
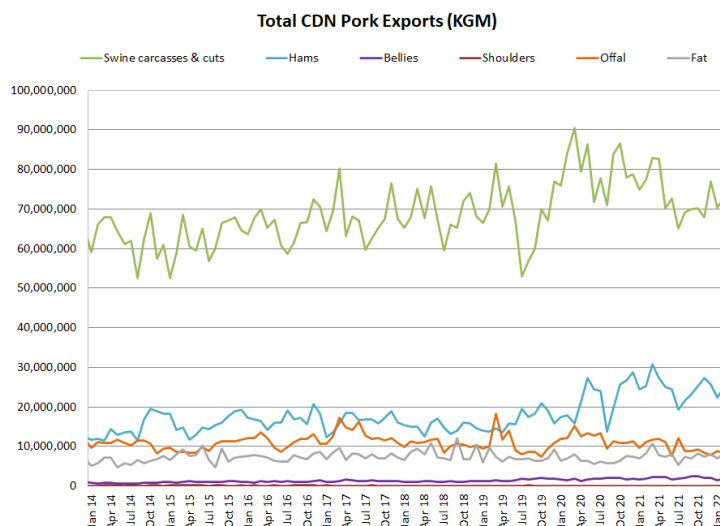
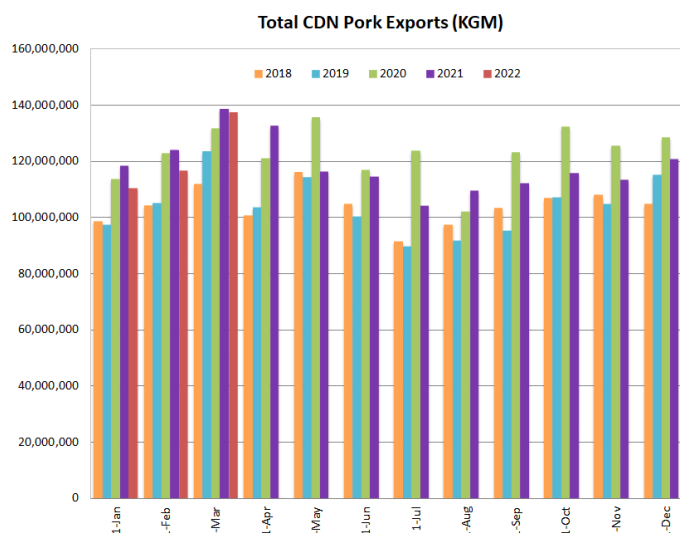
Pork belly exports surged +29.3% for March to 2.4 million KGM and is +3.1% over last year. Pork belly values for March at \$6.54/KGM edged -3.7% lower from February however were +8.7% over last year.

Pork shoulder exports increased +5.2% for March at 68.3 thousand KGM however is -35.7% under year ago levels. Export pork shoulder values were \$5.46/KGM for March, which was -26.9% under February and -25.1% under year ago levels.

Total edible swine offal was recorded at 10.9 million KGM for March, up +33.4% from February and -6.8% from last year. For perspective, edible swine offal export values at \$1.99/KGM for March declined -4.4% on the month and -7.8% under last year.

Total pig fat and lard were recorded at 10.0 million KGM for March, up +22.8% on the month but were -5.9% compared to year ago levels. For perspective, pig fat and lard export values for March were \$1.85/KGM, up +3.4 from February and +29.1% compared to year ago levels.

Pork values as measured by the USDA cut-out have gained \$14 in the last 2 weeks providing underlying support to cash and futures markets. Cut-out traditionally remains firm during the later summer months but will depend on foreign buying from major importers like Mexico and China.



Weekly Hog Price Recap

Regional and national cash hogs declined most of the week however generally recovered good strength midweek to help cash hogs average above the previous week. Alternatively, CME cash recorded good rises throughout the week. Wholesale pork primals finished higher, supporting US pork cutout \$3.76/cwt from the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	27-May-22	Head	20-May-22		
ISM pm		\$113.51		\$113.80	-\$0.29	-0.3%
WCB pm		\$113.70		\$112.24	\$1.46	1.3%
Nat pm		\$110.50		\$109.64	\$0.86	0.8%
CME Index*		\$103.66		\$100.32	\$3.34	3.3%
Sows, 300-449lbs	13,179	\$54.49	12,807	\$62.04	-\$7.55	-12.2%
Sows, 500+ lbs	11,153	\$64.16	11,702	\$70.22	-\$6.06	-8.6%
BoC Exch		1.2798		1.2840	-0.0042	-0.3%

* Represents Friday-Thursday average

Market hog values improved overall, excluding those derived from lagged base pricing. Hog values out of Ontario rose \$8.55/hog, followed by those out of Hylife which were up \$7.25/hog from a week earlier. The ML Sig 4 improved near \$6/hog while those out of Quebec rose \$5.25/hog. The OlyW 21 was up \$0.50/hog, while hog values off the OlyW 20 edged \$0.25/hog lower and BP/TC values dropped \$5.15/hog. In the US, Tyson rose \$6/hog while JM was up near \$3/hog from week ago levels.

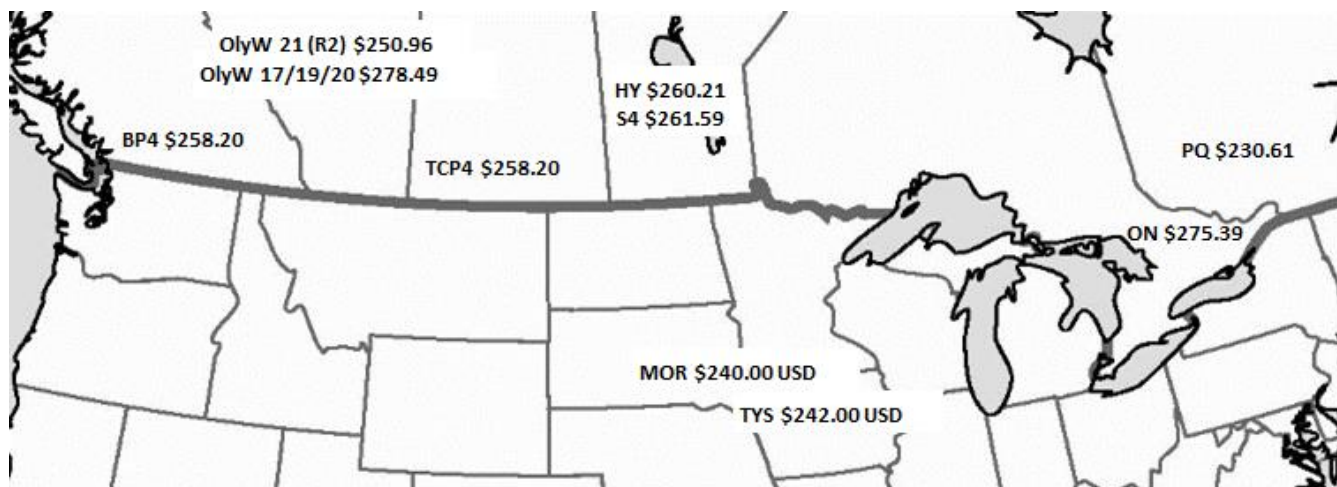
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 27-May-22	Difference to OlyW21
OlyW 2021 (R2)**	\$209.96		\$237.84		\$250.96		\$250.96	
OlyW 17/19/20*	\$206.52	-\$3.44	\$254.88	\$17.03	\$274.27	\$23.31	\$278.49	\$27.53
ML Sig 4	\$204.99	-\$4.97	\$239.06	\$1.22	\$254.65	\$3.69	\$261.59	\$10.63
BP4/TCP4	\$206.43	-\$3.53	\$238.22	\$0.38	\$256.19	\$5.23	\$258.20	\$7.24
Hylife	\$209.54	-\$0.42	\$240.32	\$2.48	\$252.07	\$1.11	\$260.21	\$9.25
Ontario***	\$206.95	-\$3.00	\$248.39	\$10.54	\$266.17	\$15.21	\$275.39	\$24.43
Québec	\$217.46	\$7.50	\$234.17	-\$3.68	\$239.48	-\$11.48	\$230.61	-\$20.36
Tyson (USD)	\$155.56	-\$54.40	\$207.30	-\$30.55	\$230.07	-\$20.89	\$242.00	-\$8.96
John Morrell (USD)	\$148.79	-\$61.17	\$206.45	-\$31.40	\$227.27	-\$23.69	\$240.00	-\$10.96

*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 improved on stronger hog values and a reduction in feed costs. Farrow-to-finish feed costs climbed \$0.40-\$0.50/hog on either side of the Canadian/US border from a week earlier.

Hog margins out the OlyW 20 edged \$0.60 lower to \$36.85/hog profits on the week, followed by those out of Ontario which strengthened \$8.15 to near \$34/hog profits. Hog margins out of the ML Sig 4 improved \$5.65 to \$23.60/hog profits, while Hylife margins rose \$6.85 to \$22.20/hog profits and OlyW 21 margins were modestly higher, up \$0.10 to \$9.35/hog profits. Hog margins out of Quebec continue in the red, though strengthened \$4.85 to \$11/hog losses. In the US, Tyson margins rose \$5.50 to \$59.10/hog profits while JM was up \$2.55 to \$58.85/hog profits from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	27-May-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$278.49	\$178.12	\$41.45	\$22.05	\$241.62	\$36.87
OlyW 21 (R2)/Alberta	\$250.96	\$178.12	\$41.45	\$22.05	\$241.62	\$9.34
ML Sig 4/Manitoba	\$261.59	\$174.92	\$41.54	\$21.55	\$238.01	\$23.58
Hylife/Manitoba	\$260.21	\$174.92	\$41.54	\$21.55	\$238.01	\$22.20
Ontario	\$275.39	\$172.85	\$42.71	\$25.76	\$241.32	\$34.07
Québec	\$230.61	\$175.42	\$42.50	\$23.65	\$241.57	-\$10.96
Tyson (USD)/Iowa	\$242.00	\$133.62	\$30.70	\$18.57	\$182.89	\$59.11
John Morrell (USD)/ND	\$240.00	\$131.89	\$30.70	\$18.57	\$181.16	\$58.84

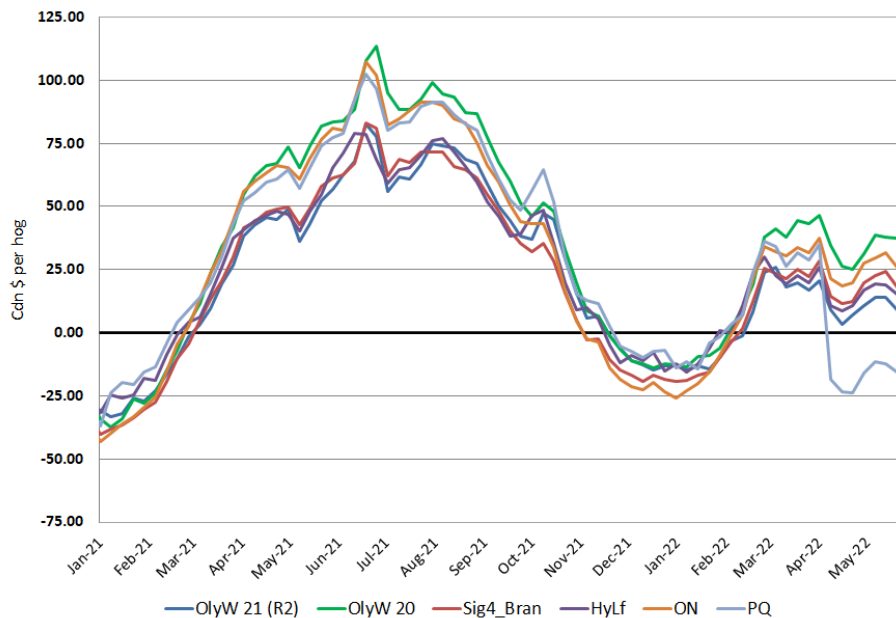
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD,

* Feed cost fixed expenses updated the week of April 8, 2022 onward

* Variable and Fixed Costs updated as of April 15, 2022

Tyson: \$59.11 USD x 1.2648 = \$74.76 CAD
 Morrell: \$58.84 USD x 1.2648 = \$74.42 CAD

Canadian Margins 2021-2022



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