



Weekly Regional HOG PRICE Report



Things to Consider....

July 12, 2022

The latest US livestock and meat trade data reflected total US pork exports at 548.7 million pounds for May, up 20.0 million pounds from April levels and 139.1 million pounds under highs of last year.

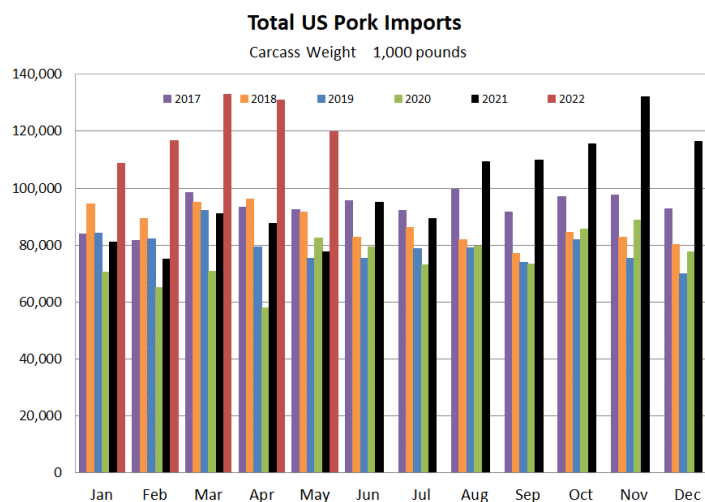
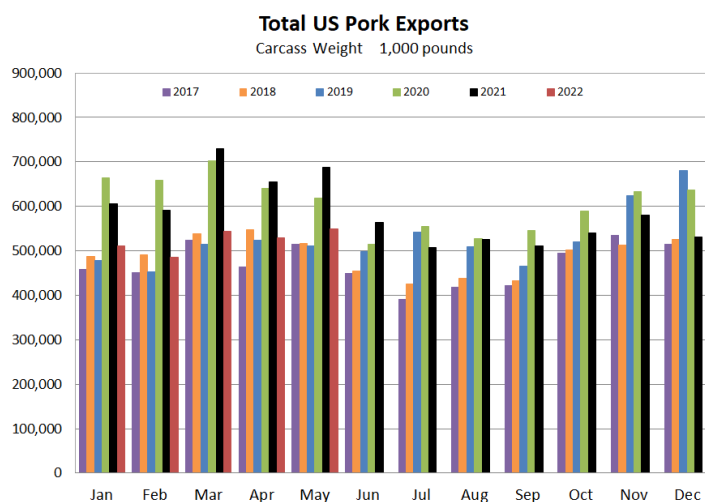
Major destinations for US pork generally recorded moderately increase volume on the report. US pork to Mexico recorded the largest increase, up 8.5 million pounds from April and reached a new historical high for the month of May historically. US pork to Australia rose 6.8 million pounds, and volume to the country continues to rebound following the lows recorded in late 2021. The Philippines increased their imports of US pork by 6.2 million pounds or +205% into May, returning to a more typical seasonal volume after the low recorded a month earlier. US pork to South Korea rose 5.8 million pounds for May, while China* (including Hong Kong and Taiwan) increased 2.9 million pounds and Canada climbed 1.3 million pounds.

US pork to Japan fell 5.6 million pounds, slipping below typical levels for this time. Other destinations such as Guatemala, Chile and the Dominican Republic recorded more moderate declines, each generally 1.0-1.3 million pounds lower for the month of May. Notably, US pork to the Dominican Republic continue at historical highs while Chile records nearly 5-year lows.

Total US pork imports fell 10.9 million pounds or – 8.3% lower than April, bringing current imports 42.2 million pounds or +54.4% above year ago levels. Imports from Canada edged 1.2 million pounds higher or +1.6%, bringing US imports from Canada 23.5 million pounds or +47.6% over year ago levels. Notably, the US imported 32.9 million pounds more pork from Canada than it exported to the country for the month of May. US pork imports from Denmark fell 3.4 million pounds or –21.4% from a month earlier though continue among the strongest historically, and are 7.6 million pounds or +157.4% over last year. Imports from Poland declined 2.4 million pounds or –22.5% from April but are up 2.5 million pounds or +44.1% over year ago levels.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	May-21	Apr-22	May-22	M/M%	Y/Y%	YTD/LYTD%
Australia	17,355	7,819	14,646	87.3%	-15.6%	-53.9%
Canada	47,055	38,615	39,887	3.3%	-15.2%	-14.8%
China*	164,730	46,861	49,782	6.2%	-69.8%	-71.3%
Colombia	23,917	28,323	28,397	0.3%	18.7%	-0.5%
Japan	114,205	105,167	99,577	-5.3%	-12.8%	-12.2%
Mexico	165,910	183,814	192,263	4.6%	15.9%	31.8%
South Korea	56,430	46,695	52,474	12.4%	-7.0%	-7.7%
All US Pork Exports	687,783	528,705	548,720	3.8%	-20.2%	-19.9%

*Includes Mainland, Hong Kong & Taiwan



Weekly Hog Price Recap

Regional and national cash hogs recorded significant increases early in the holiday-shortened week, while recording declines the latter half to pullback on some of the earlier improvements. CME cash was recorded moderately lower early on while improvements in the back-half of the week offset earlier declines. Most wholesale pork primal values rose on the week, excluding ribs, supporting US pork cutout \$5.37/cwt over the previous week's average.

USD Cash Price	Weekly Averages					
	Head	08-Jul-22	Head	01-Jul-22	w/w	% Chg
ISM pm		\$124.74		\$121.62	\$3.13	2.6%
WCB pm		\$124.65		\$121.68	\$2.97	2.4%
Nat pm		\$120.95		\$117.84	\$3.10	2.6%
CME Index*		\$110.41		\$111.16	-\$0.75	-0.7%
Sows, 300-449lbs	11,357	\$48.91	13,200	\$46.93	\$1.98	4.2%
Sows, 500+ lbs	9,619	\$56.43	11,871	\$53.66	\$2.77	5.2%
BoC Exch		1.2981		1.2879	0.0102	0.8%

* Represents Friday-Thursday average

Market hog values were mixed on the week with many markets improving while those derived from lagged base pricing were lower. Hylife hogs rose \$3.30/hog and the ML Sig 4 improved \$1.35/hog, while hog values out of Ontario climbed \$0.60/hog and Quebec was nearly unchanged. The OlyW 21 fell \$4.60/hog and the OlyW 20 declined \$4.40/hog, while BP/TC values slipped \$0.75/hog. In the US, Tyson slipped \$0.15/hog lower while JM rose \$6.15/hog from week ago levels.

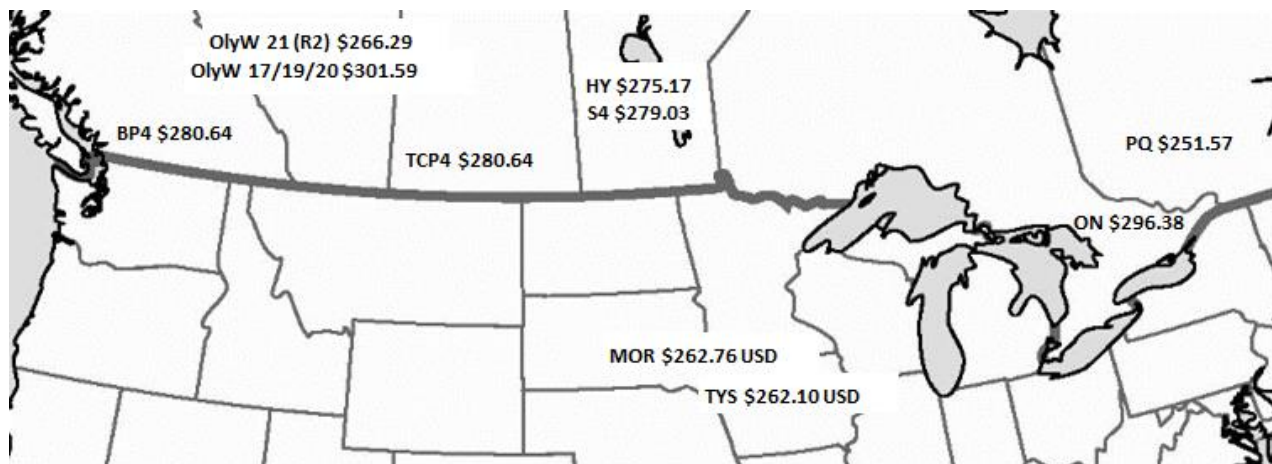
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 08-Jul-22	Difference to OlyW21
OlyW 2021 (R2)**	\$211.78		\$243.51		\$256.83		\$266.29	
OlyW 17/19/20*	\$208.13	-\$3.65	\$263.81	\$20.30	\$284.27	\$27.43	\$301.59	\$35.31
ML Sig 4	\$207.01	-\$4.76	\$246.43	\$2.91	\$263.95	\$7.11	\$279.03	\$12.74
BP4/TCP4	\$208.31	-\$3.47	\$245.76	\$2.25	\$264.57	\$7.74	\$280.64	\$14.35
Hylife	\$211.55	-\$0.23	\$246.81	\$3.30	\$260.80	\$3.96	\$275.17	\$8.88
Ontario***	\$209.30	-\$2.48	\$257.41	\$13.90	\$277.68	\$20.85	\$296.38	\$30.09
Québec	\$218.18	\$6.40	\$236.57	-\$6.94	\$234.40	-\$22.44	\$251.57	-\$14.71
Tyson (USD)	\$158.69	-\$53.09	\$217.94	-\$25.57	\$242.78	-\$14.05	\$262.10	-\$4.19
John Morrell (USD)	\$152.09	-\$59.69	\$217.03	-\$26.48	\$241.02	-\$15.81	\$262.76	-\$3.52

*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 generally improved hog values and a significant decline in feed costs. Farrow-to-finish feed costs on either side of the Canadian/US border dropped \$4.40-\$4.55/hog from a week earlier.

Hog margins out the OlyW20 improved modestly, up \$0.20 to near \$80.25/hog profits on the week, followed by those out of Ontario which strengthened \$5.15 to \$75.30/hog profits. Hog margins out of the ML Sig 4 improved \$6 to \$61.25/hog profits and Hylife margins strengthened \$7.85 to \$57.40/hog profits, while OlyW 21 margins were nearly unchanged at \$45/hog profits and those out of Quebec improved \$4.55 to \$30.25/hog profits. In the US, Tyson margins improved \$4.25 to \$99.80/hog profits while JM strengthened \$10.55 to \$102.20/hog profits from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	08-Jul-22	Farrow to Finish			Total	Weekly Margin
	Hog Price	Feed*	Variable	Fixed	COP	
OlyW 20/Alberta	\$301.59	\$157.87	\$41.45	\$22.05	\$221.37	\$80.22
OlyW 21 (R2)/Alberta	\$266.29	\$157.87	\$41.45	\$22.05	\$221.37	\$44.92
ML Sig 4/Manitoba	\$279.03	\$154.67	\$41.54	\$21.55	\$217.76	\$61.27
Hylife/Manitoba	\$275.17	\$154.67	\$41.54	\$21.55	\$217.76	\$57.41
Ontario	\$296.38	\$152.60	\$42.71	\$25.76	\$221.07	\$75.31
Québec	\$251.57	\$155.17	\$42.50	\$23.65	\$221.32	\$30.25
Tyson (USD)/Iowa	\$262.10	\$113.02	\$30.70	\$18.57	\$162.29	\$99.81
John Morrell (USD)/ND	\$262.76	\$111.29	\$30.70	\$18.57	\$160.56	\$102.20

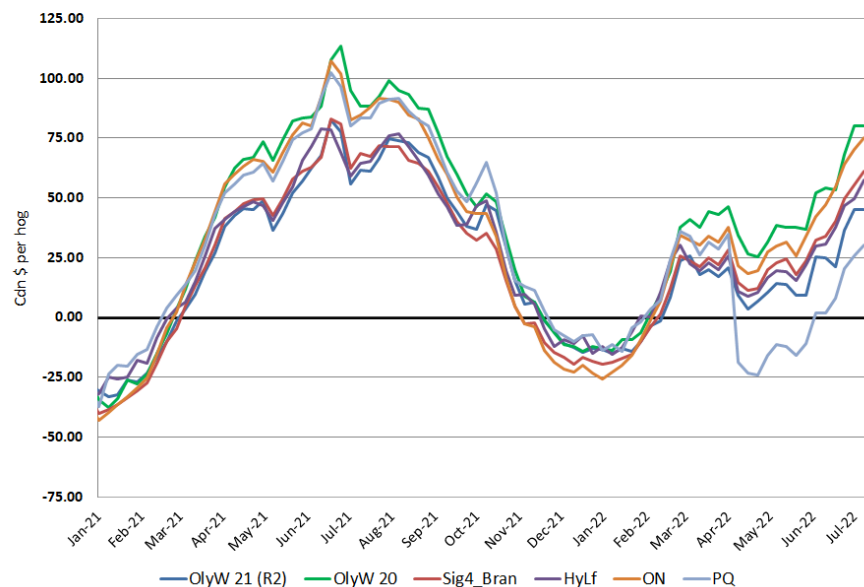
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD,

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

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

Tyson: \$99.81 USD x 1.3015 = \$129.90 CAD
 Morrell: \$102.20 USD x 1.3015 = \$133.01 CAD

Canadian Margins 2021-2022



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