



Weekly Regional HOG PRICE Report



August 16, 2022

Things to Consider....

US federally inspected hog slaughter was reported at 2,338 thousand head for the latest week: up +0.3% from a week earlier, -2.9% under the same week last year and -3.1% under last year-to-date.

US sow slaughter for the week ending July 30th was up 3,200 or +5.8% from the prior week to 58,700 head, which is +2.9% over last year and -4.2% under to last year-to-date.

Canadian federally inspected market hog slaughter for the holiday week ending August 6th at 350.1 thousand head fell 30.3 thousand or -8.0% from the week previous and was -0.7% under last year and near even with last year-to-date.

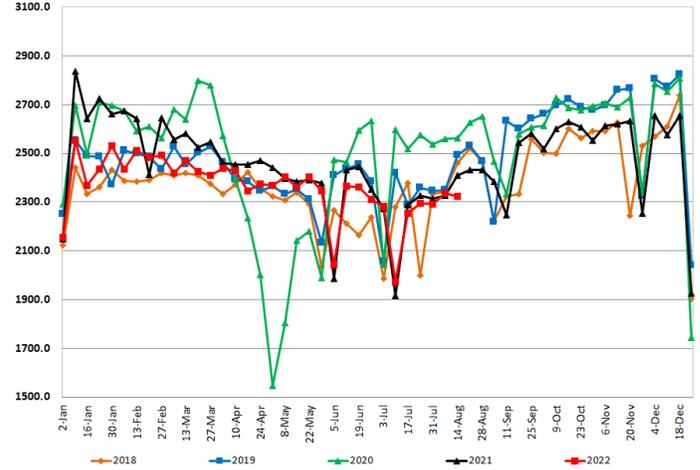
Canadian sow slaughter was reported at 1,146 head for the same week, dropping 33.2% from the week previous. Compared to last year, Canadian sow slaughter is -30% under the same week last year (non-holiday week) and -5.2% under last year-to-date.

Canadian pork production numbers are estimates derived from current slaughter rates and an annual average Canadian slaughter hog weight. Based on the latest slaughter rates Canadian weekly pork production fell -8.1% on the week and is +0.6% over year ago levels and +2.0% over last year-to-date.

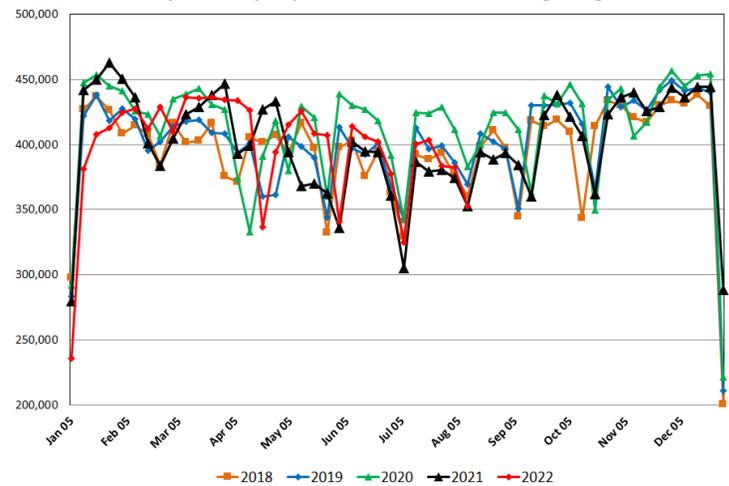
Weekly average barrow and gilt weights in the ISM reporting area for the week ending Aug 6th was reported at 275.6 lbs, down 1 pound or -0.4% from a week earlier and -1.0% or 2.8 lbs under year ago levels. Year-to-date, hog weights reported for 2022 are +0.5% over the same weeks in 2021.

US pork production for the week was stable, down 100 thousand pounds to 494.1 million pounds, bringing overall production -1.8% under last year and -2.4% compared to last year-to-date.

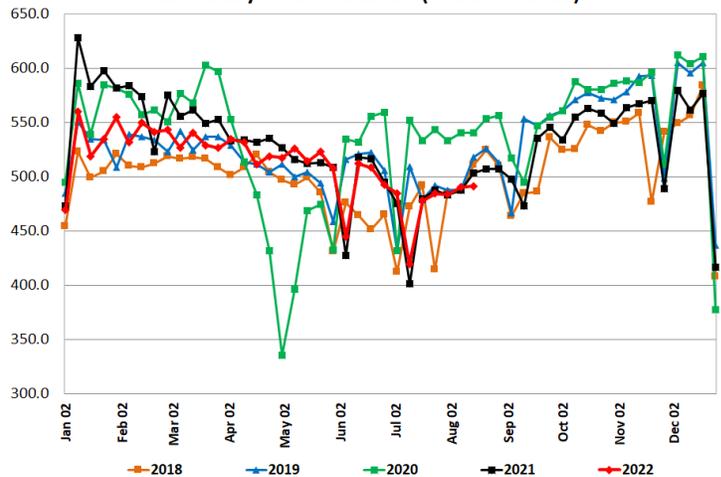
US Federal Inspected Slaughter ('000)



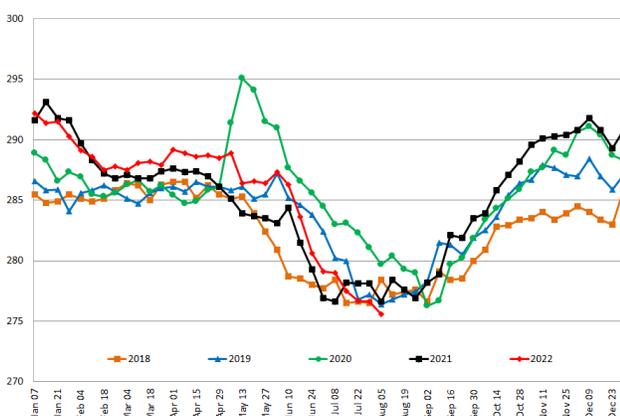
Weekly Federally Inspected Canadian Market Hog Slaughter



US Weekly Pork Production (Million Pounds)



Weekly Average Barrow and Gilt Weight Live



Weekly Hog Price Recap

Cash hogs improved for the better part of the week, though recorded some significant price swings. Tuesday recorded strong improvements while Thursday recorded heavier declines, particularly in national cash. Alternatively, CME cash declined much of the week though moved more moderately. Wholesale pork primal values declined overall, excluding loins and picnics, with US pork cutout \$3.47/cwt under the previous week's average.

USD Cash Price	Weekly Averages					
	Head	12-Aug-22	Head	05-Aug-22	w/w	% Chg
ISM pm		\$130.78		\$128.49	\$2.29	1.8%
WCB pm		\$131.95		\$128.34	\$3.61	2.8%
Nat pm		\$126.30		\$123.95	\$2.36	1.9%
CME Index*		\$122.01		\$121.62	\$0.39	0.3%
Sows, 300-449lbs	13,145	\$80.49	11,838	\$80.66	-\$0.18	-0.2%
Sows, 500+ lbs	11,209	\$89.63	10,979	\$85.31	\$4.31	5.1%
BoC Exch		1.2812		1.2874	-0.0062	-0.5%

* Represents Friday-Thursday average

Canadian market hog values were mixed, with modest declines in many markets while those derived from lagged base pricing improved. BP/TC rose \$6.20/hog, while hog values out of Quebec were up \$2.80/hog, the OlyW 20 improved \$2.60/hog and the OlyW 21 edged \$0.10/hog higher. Hog values out of Ontario slipped \$0.30/hog, while those out of Hylife were down \$0.75/hog and the ML Sig 4 fell \$1.50/hog. In the US hog values improved significantly, with Tyson up \$6.10/hog while JM rose \$7.50/hog from week ago levels.

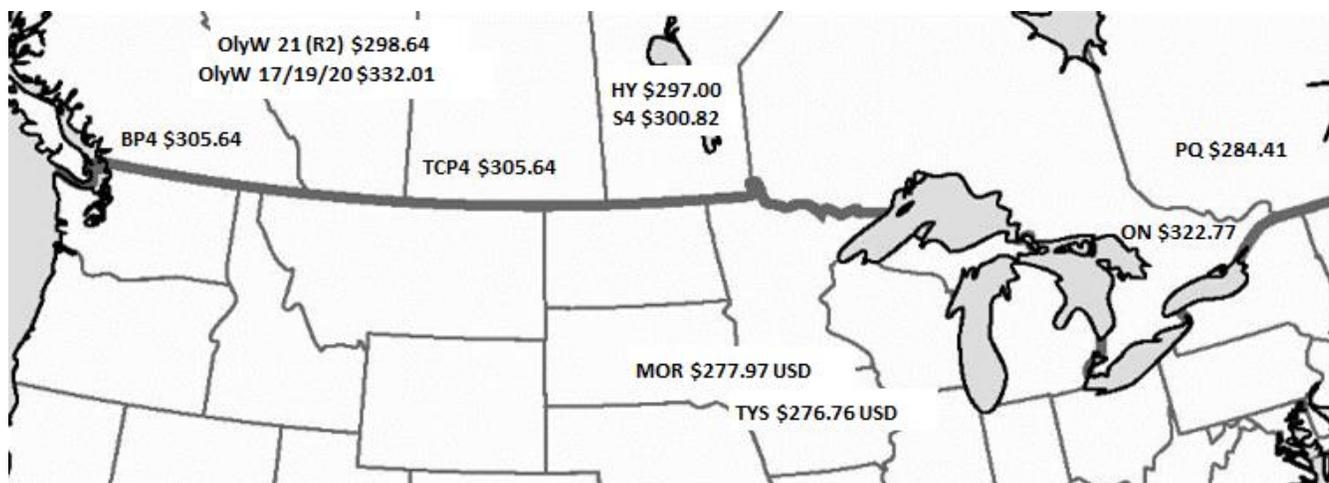
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 12-Aug-22	Difference to OlyW21
OlyW 2021 (R2)**	\$214.85		\$250.68		\$271.43		\$298.64	
OlyW 17/19/20*	\$211.14	-\$3.71	\$272.88	\$22.20	\$302.86	\$31.43	\$332.01	\$33.38
ML Sig 4	\$210.13	-\$4.72	\$253.99	\$3.31	\$278.82	\$7.40	\$300.82	\$2.18
BP4/TCP4	\$211.25	-\$3.60	\$253.24	\$2.56	\$278.67	\$7.25	\$305.64	\$7.00
Hylife	\$214.65	-\$0.20	\$253.99	\$3.31	\$275.67	\$4.25	\$297.00	-\$1.64
Ontario***	\$212.93	-\$1.93	\$266.62	\$15.94	\$296.76	\$25.34	\$322.77	\$24.13
Québec	\$220.55	\$5.70	\$242.48	-\$8.20	\$253.68	-\$17.74	\$284.41	-\$14.23
Tyson (USD)	\$162.29	-\$52.56	\$225.90	-\$24.78	\$257.97	-\$13.45	\$276.76	-\$21.88
John Morrell (USD)	\$155.67	-\$59.19	\$225.06	-\$25.62	\$257.19	-\$14.23	\$277.97	-\$20.67

*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 Canadian hog margins weakened on mixed moves in hog values and significantly increased feed costs. Canadian farrow-to-finish feed costs jumped \$3.45/hog, while those in the monitored US region were up closer to \$3.25/hog from the week previous.

Hog margins out the OlyW20 declined \$0.85 to \$108.15/hog profits on the week, followed by those out of Ontario which weakened \$3.75 to \$99.20/hog profits. Hog margins out of the ML Sig 4 weakened \$5 to \$80.55/hog profits and Hylife margins were down \$4.20 to \$76.75/hog profits, while OlyW 21 margins weakened \$3.35 to \$74.75/hog profits and those out of Quebec slipped \$0.65 to \$60.60/hog profits. In the US, Tyson margins strengthened \$2.80 to \$110.35/hog profits while JM strengthened \$4.25 to \$113.30/hog profits from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	12-Aug-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$332.01	\$160.38	\$41.45	\$22.05	\$223.88	\$108.13
OlyW 21 (R2)/Alberta	\$298.64	\$160.38	\$41.45	\$22.05	\$223.88	\$74.76
ML Sig 4/Manitoba	\$300.82	\$157.18	\$41.54	\$21.55	\$220.27	\$80.55
Hylife/Manitoba	\$297.00	\$157.18	\$41.54	\$21.55	\$220.27	\$76.73
Ontario	\$322.77	\$155.11	\$42.71	\$25.76	\$223.58	\$99.19
Québec	\$284.41	\$157.68	\$42.50	\$23.65	\$223.83	\$60.58
Tyson (USD)/Iowa	\$276.76	\$117.13	\$30.70	\$18.57	\$166.40	\$110.36
John Morrell (USD)/ND	\$277.97	\$115.40	\$30.70	\$18.57	\$164.67	\$113.30

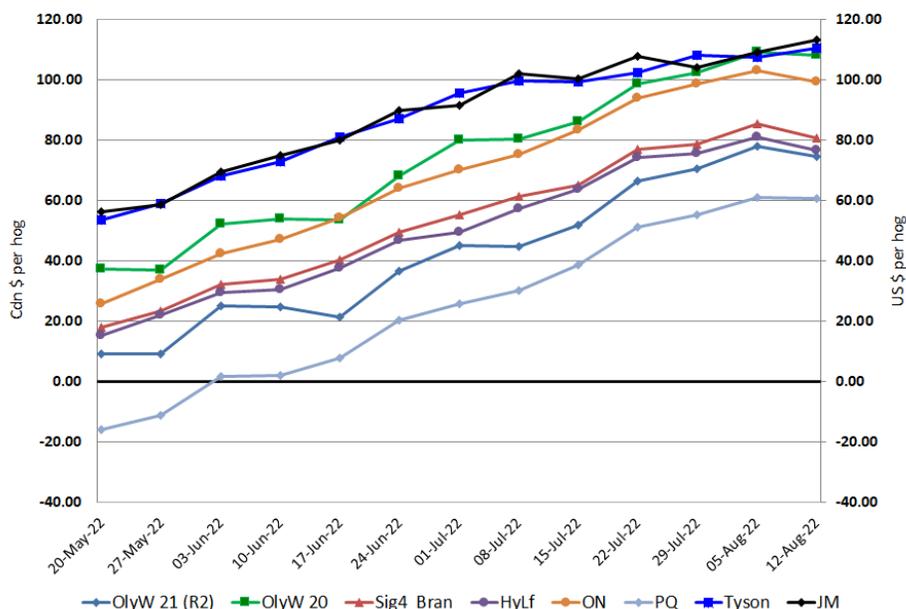
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$110.36 USD x 1.2867 = \$142.00 CAD
 Morrell: \$113.30 USD x 1.2867 = \$145.78 CAD

Canadian & US Margins Last 13 weeks



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