



Weekly Regional HOG PRICE Report



Things to Consider....

August 2, 2022

The latest US livestock and meat trade data reflected total US pork exports at 531.1 million pounds for June, down 17.6 million pounds from May levels and 32.7 million pounds under last year.

Most major destinations for US pork generally recorded declined volume on the report. US pork to Mexico recorded the largest drop, down 14.7 million pounds from May and reached a new historical high for the month of June historically. US pork to Japan fell 4.1 million pounds, and though continuing below many recent historical years for this time has returned to more typical levels. US pork to the Dominican Republic dropped 3.5 million pounds or -13.9% for June, coming down from the strong historical highs recorded in the previous two reports though continuing at highs well above typical levels and nearly double the volume of last year. Other destinations for US pork such as South Korea, Australia and Canada each recorded 1-2 million pounds declines from last reported.

Offsetting some of the earlier mentioned declines were increased amounts to Colombia and China*. US pork to Colombia rose 3.7 million pounds and is among the strongest recorded historically, while China* (including Hong Kong and Taiwan) increased 3.6 million pounds from last reported. Other notable destinations recorded generally 1-1.6 million pound declines such as the Philippines, Guatemala, and Chile which continues among 10-year lows.

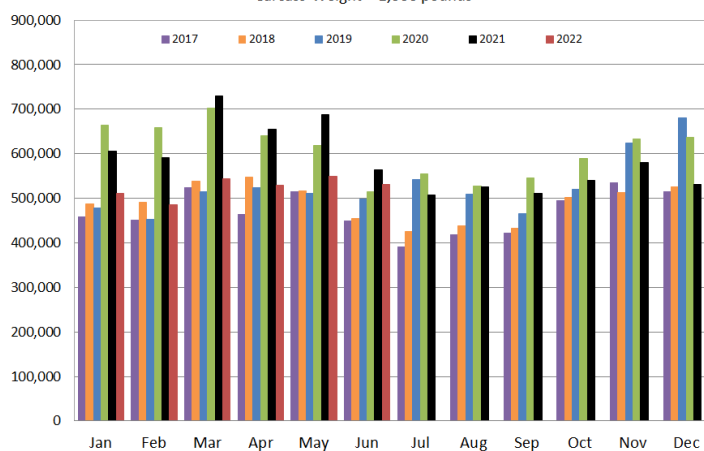
Total US pork imports slipped 2.1 million pounds or -1.7% lower than May, bringing current imports 23.0 million pounds or +24.2% above year ago levels. Imports from Canada declined 1.7 million pounds or -2.3% for June, bringing them 15.3 million pounds or +27.3 over year ago levels. Notably, the US imported 32.3 million pounds more pork from Canada than it exported to the country for the month of June. US pork imports from Denmark fell 4.5 million pounds or -36% from a month earlier though are +10.3% over last year, while volume from Mexico declined 1.6 million pounds or -15.9% in June but is +12.1% over last year. Increased imports from Brazil, Italy and Hungary offset some of the lessened amounts, with each generally up 1-2 million pounds from last reported.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Jun-21	Apr-22	May-22	M/M%	Y/Y%	YTD/LYTD%
Australia	15,952	14,646	12,915	-11.8%	-19.0%	-49.2%
Canada	41,823	39,887	38,820	-2.7%	-7.2%	-13.6%
China*	92,294	49,782	53,387	7.2%	-42.2%	-68.3%
Colombia	16,786	28,397	32,144	13.2%	91.5%	11.1%
Japan	103,403	99,577	95,505	-4.1%	-7.6%	-11.5%
Mexico	166,983	192,263	177,571	-7.6%	6.3%	27.1%
South Korea	44,638	52,474	50,571	-3.6%	13.3%	-4.5%
All US Pork Exports	563,787	548,720	531,104	-3.2%	-5.8%	-17.8%

*Includes Mainland, Hong Kong & Taiwan

Total US Pork Exports

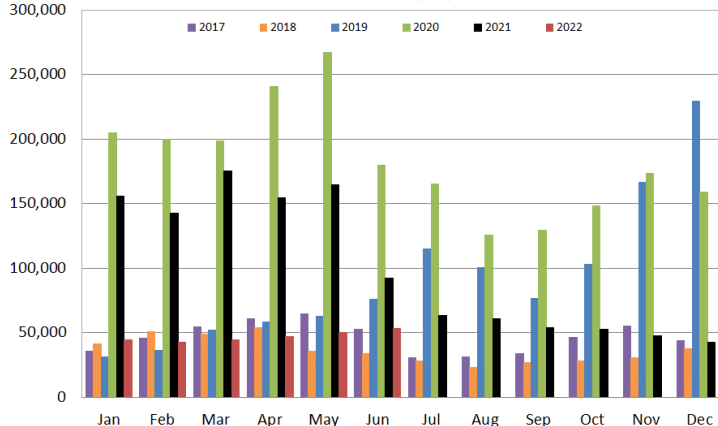
Carcass Weight 1,000 pounds



Total US Pork Exports to China*

Carcass Weight 1,000 pounds

*Includes Mainland, Hong Kong & Taiwan



Weekly Hog Price Recap

Regional and national cash hogs varied though declined for much of the week, with late-week declines particularly heavy while mid-week gains were also significant. Alternatively, CME cash improved daily at good to moderate levels. Wholesale pork primal values were mixed throughout the week with bellies especially stronger and higher hams and picnics helped US pork cutout finish the week \$3.28/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	29-Jul-22	Head	22-Jul-22		
ISM pm		\$125.02		\$126.23	-\$1.21	-1.0%
WCB pm		\$126.03		\$126.48	-\$0.45	-0.4%
Nat pm		\$121.81		\$120.77	\$1.04	0.9%
CME Index*		\$120.07		\$116.49	\$3.58	3.1%
Sows, 300-449lbs	11,085	\$73.02	10,763	\$64.72	\$8.30	12.8%
Sows, 500+ lbs	11,120	\$76.21	11,111	\$68.09	\$8.12	11.9%
BoC Exch		1.2853		1.2901	-0.0048	-0.4%

* Represents Friday-Thursday average

Canadian market hog values again improved significantly this past week, rising as much as \$8 per hog. BP/TC rose \$8/hog, while hog values out of Ontario were up just shy of \$8 and other markets such as the OlyW 21 & 20 and hog values out of Quebec were each up around \$7/hog. The ML Sig 4 was up \$4.75/hog, while hog values out of Hylife were up \$4.50/hog. In the US, Tyson rose \$8.20/hog higher while JM slipped near \$1/hog from week ago levels.

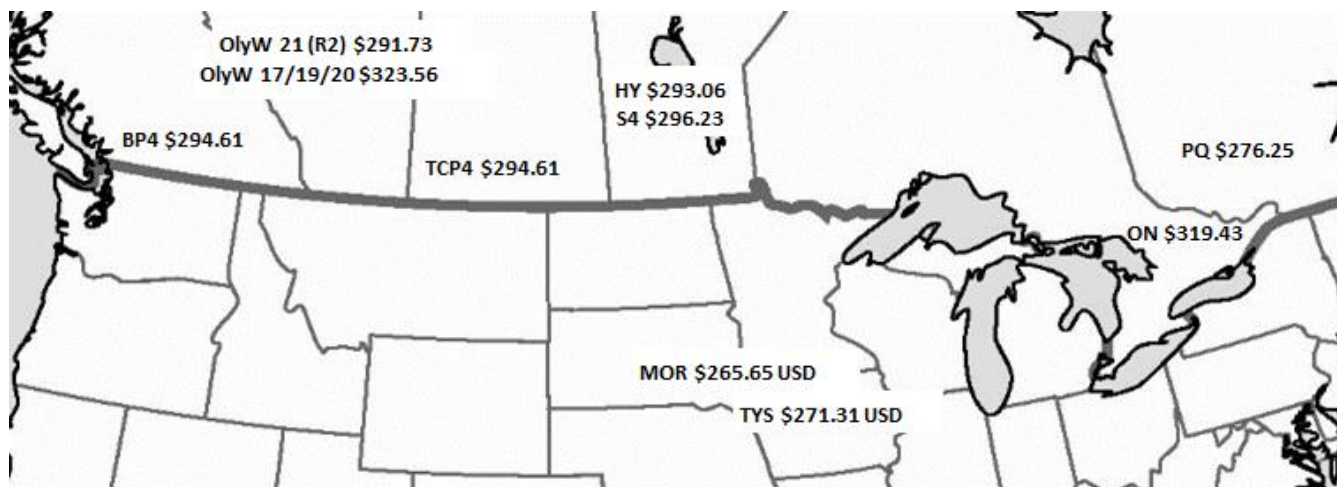
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 29-Jul-22	Difference to OlyW21
OlyW 2021 (R2)**	\$213.51		\$247.49		\$264.51		\$291.73	
OlyW 17/19/20*	\$209.82	-\$3.69	\$269.03	\$21.54	\$294.72	\$30.21	\$323.56	\$31.84
ML Sig 4	\$208.78	-\$4.73	\$250.82	\$3.33	\$272.34	\$7.84	\$296.23	\$4.50
BP4/TCP4	\$209.84	-\$3.66	\$249.96	\$2.47	\$272.40	\$7.90	\$294.61	\$2.89
Hylife	\$213.40	-\$0.11	\$251.11	\$3.62	\$269.19	\$4.68	\$293.06	\$1.34
Ontario***	\$211.39	-\$2.11	\$262.87	\$15.38	\$288.60	\$24.10	\$319.43	\$27.70
Québec	\$219.46	\$5.95	\$239.78	-\$7.71	\$245.18	-\$19.33	\$276.25	-\$15.48
Tyson (USD)	\$160.79	-\$52.72	\$222.71	-\$24.78	\$251.81	-\$12.70	\$271.31	-\$20.41
John Morrell (USD)	\$154.30	-\$59.21	\$221.78	-\$25.70	\$250.51	-\$13.99	\$265.65	-\$26.08

*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 strengthened on strongly improved hog values despite an increase in feed costs. Canadian farrow-to-finish feed costs rose \$3.15/hog, while those in the monitored US region were up \$2.65/hog from the week previous.

Hog margins out the OlyW20 improved \$3.95 to \$102.45/hog profits on the week, followed by those out of Ontario which strengthened \$4.75 to \$98.60/hog profits. Hog margins out of the ML Sig 4 improved \$1.60 to \$78.70/hog profits and Hylife margins were up \$1.30 to \$75.55/hog profits, while OlyW 21 margins strengthened \$4.15 to \$70.60/hog profits and those out of Quebec improved \$3.90 to \$55.20/hog profits. In the US, Tyson margins strengthened \$5.55 to \$108/hog profits while JM weakened \$3.60 to \$104/hog profits from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	29-Jul-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$323.56	\$157.62	\$41.45	\$22.05	\$221.12	\$102.44
OlyW 21 (R2)/Alberta	\$291.73	\$157.62	\$41.45	\$22.05	\$221.12	\$70.61
ML Sig 4/Manitoba	\$296.23	\$154.42	\$41.54	\$21.55	\$217.51	\$78.72
Hylife/Manitoba	\$293.06	\$154.42	\$41.54	\$21.55	\$217.51	\$75.55
Ontario	\$319.43	\$152.35	\$42.71	\$25.76	\$220.82	\$98.61
Québec	\$276.25	\$154.92	\$42.50	\$23.65	\$221.07	\$55.18
Tyson (USD)/Iowa	\$271.31	\$114.06	\$30.70	\$18.57	\$163.33	\$107.98
John Morrell (USD)/ND	\$265.65	\$112.33	\$30.70	\$18.57	\$161.60	\$104.05

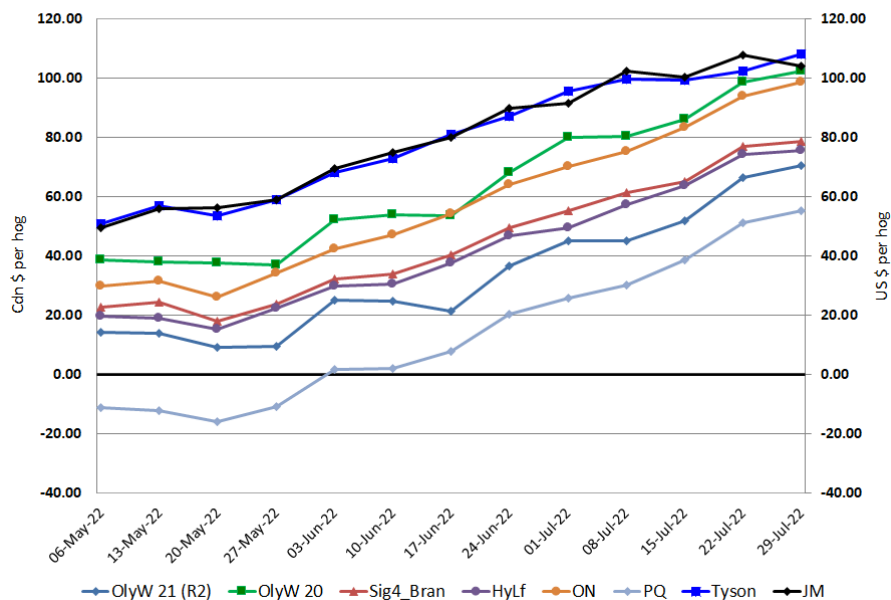
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$107.98 USD x 1.2856 = \$138.82 CAD
 Morrell: \$104.05 USD x 1.2856 = \$133.77 CAD

Canadian & US Margins Last 13 weeks



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