

## Things to Consider....

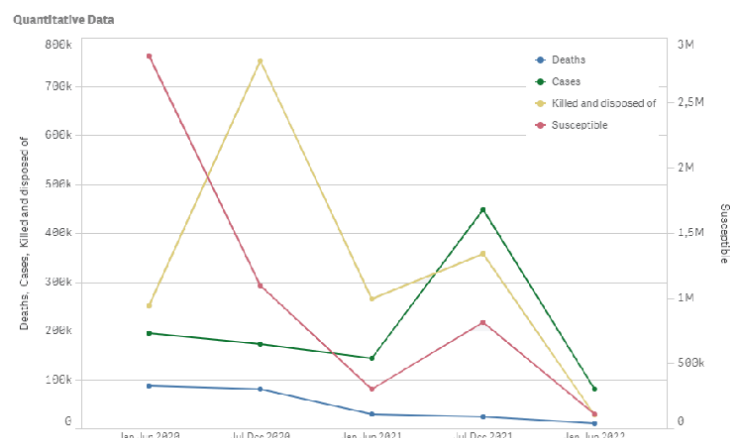
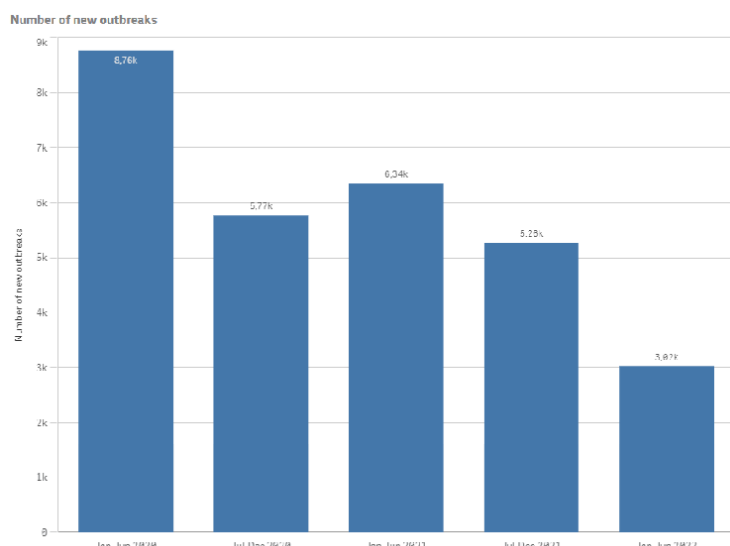
July 19, 2022

A summary of the latest data for ASF as recorded by the World Organization for Animal Health (OIE) reflected an overall decline from the previous reporting period, in addition to holding below year ago levels. The number of new ASF outbreaks for the January-June period at 3.02k globally fell –42.6% from the previous period and – 52.4% from year ago levels. The latest reporting period tallied 11.73k deaths, 80.5k cases, 27.5k killed or disposed of, and 113.14k susceptible globally.

Outbreaks in Europe for the latest period recorded a total of 2.69k new outbreaks, down - 37.4% from the 4.3k recorded the previous period and –51.8% under the 5.58k reported last year. The vast majority (2.49k) of the new outbreaks were recorded in the wild boar population. Many areas in the European region have targeted surveillance programs with respect to the wild boar population, which is a contributing factor in the high rate of reported outbreaks throughout the region. Notably, the European Food Safety Authority (EFSA) has recently renewed their ASF campaign for a third year, partnering with 18 different countries throughout the region to prevent, detect and report the disease. The latest reporting period tallied 4.23k deaths, 72.9k cases, 4.79k killed or disposed of, and 71.7k susceptible in the European region.

Asia recorded 294 new outbreaks in the latest reporting period, down –57.6% from the 694 previously and –55.8% under the 665 recorded last year. The latest reporting period tallied 6.3k deaths, 6.33k cases, 20.94k killed or disposed of, and 34.17k susceptible in Asia.

Africa recorded 29 new outbreaks in the latest reporting period, down –31% from the 42 previously and –64.6% lower than the 82 recorded last year. The latest reporting period tallied 1.14k deaths, 1.18k cases, 48 killed or disposed of, and 5.2k susceptible in the African region.



The Americas recorded 7 new outbreaks in domestic swine during the Jan-Jun 2022 period (1 in the Dominican Republic and 6 in Haiti), down -97% from the 232 outbreaks recorded in the previous period and – 56.3% from the 16 outbreaks reported last year. ASF outbreaks were reported for the first time in 40 years in the Dominican Republic late July 2021 while the neighbouring country of Haiti recorded their first outbreak since 1984 in late August 2021. No new countries in the Americas have recorded outbreaks to-date, however the region remains on high alert to halt the spread to other areas in the region. The latest reporting period tallied 56 deaths, 88 cases, 1.72k killed or disposed of, and 2.06k susceptible in the Americas.

# Weekly Hog Price Recap

Cash hogs varied during the week with regional cash up overall though down significantly Monday, while national cash declined near daily with good strength Tuesday helping to offset some weakness. Alternatively, CME cash improved daily at moderate levels. Most wholesale pork primal values rose on the week, again excluding ribs, supporting US pork cutout \$5.12/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	15-Jul-22	Head	08-Jul-22		
ISM pm		\$124.04		\$124.74	-\$0.70	-0.6%
WCB pm		\$124.08		\$124.65	-\$0.57	-0.5%
Nat pm		\$119.91		\$120.95	-\$1.04	-0.9%
CME Index*		\$112.94		\$110.41	\$2.53	2.3%
Sows, 300-449lbs	12,947	\$55.11	11,357	\$48.91	\$6.20	12.7%
Sows, 500+ lbs	12,135	\$61.48	9,619	\$56.43	\$5.05	8.9%
BoC Exch		1.3033		1.2981	0.0052	0.4%

\* Represents Friday-Thursday average

Market hog values improved as much as \$9/hog on the week. Hog values out of Quebec were up the most, followed by those out of Ontario which were up \$8.60/hog. Hylife rose \$6.85/hog, while the ML Sig 4 was up \$4.50/hog. The OlyW 21 improved \$7.40/hog and the OlyW 20 was up \$6.40/hog, while BP/TC values climbed \$1.40/hog. In the US, Tyson edged \$0.35/hog higher while JM slipped \$1.20/hog from week ago levels.

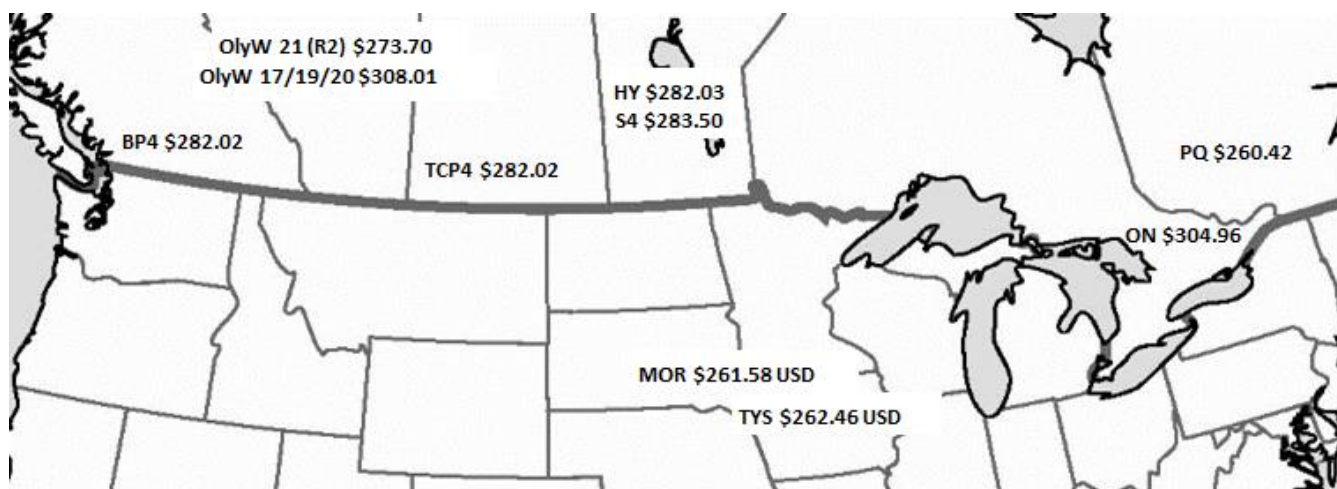
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 15-Jul-22	Difference to OlyW21
OlyW 2021 (R2)**	\$212.24		\$244.59		\$259.04		\$273.70	
OlyW 17/19/20*	\$208.56	-\$3.68	\$265.39	\$20.80	\$287.34	\$28.31	\$308.01	\$34.32
ML Sig 4	\$207.50	-\$4.74	\$247.75	\$3.16	\$266.57	\$7.53	\$283.50	\$9.81
BP4/TCP4	\$208.74	-\$3.51	\$247.05	\$2.46	\$266.73	\$7.69	\$282.02	\$8.32
Hylife	\$212.10	-\$0.14	\$248.16	\$3.58	\$263.50	\$4.47	\$282.03	\$8.33
Ontario***	\$209.89	-\$2.35	\$259.11	\$14.52	\$281.16	\$22.12	\$304.96	\$31.26
Québec	\$218.50	\$6.26	\$237.43	-\$7.16	\$237.64	-\$21.40	\$260.42	-\$13.28
Tyson (USD)	\$159.32	-\$52.93	\$219.53	-\$25.06	\$245.81	-\$13.23	\$262.46	-\$11.24
John Morrell (USD)	\$152.79	-\$59.46	\$218.62	-\$25.97	\$244.66	-\$14.38	\$261.58	-\$12.12

\*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 improved hog values despite a moderate rise in feed costs. Canadian farrow-to-finish feed costs were up \$0.55/hog, while those in the monitored US region increased \$0.70/hog from the week previous.

Hog margins out the OlyW20 improved \$5.85 to \$86.10/hog profits on the week, followed by those out of Ontario which strengthened \$8 to \$83.35/hog profits. Hog margins out of the ML Sig 4 improved shy of \$4 to \$65.20/hog profits and Hylife margins strengthened \$6.30 to \$63.70/hog profits, while OlyW 21 margins rose \$6.85 to \$51.75/hog profits and those out of Quebec strengthened \$8.30 to \$38.55/hog profits. In the US hog margins declined, with Tyson slipping \$0.35 to \$99.50/hog profits while JM weakened \$1.90 to \$100.30/hog profits from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	15-Jul-22	Farrow to Finish			Total	Weekly Margin
	Hog Price	Feed*	Variable	Fixed	COP	
OlyW 20/Alberta	\$308.01	\$158.42	\$41.45	\$22.05	\$221.92	\$86.09
OlyW 21 (R2)/Alberta	\$273.70	\$158.42	\$41.45	\$22.05	\$221.92	\$51.78
ML Sig 4/Manitoba	\$283.50	\$155.22	\$41.54	\$21.55	\$218.31	\$65.19
Hylife/Manitoba	\$282.03	\$155.22	\$41.54	\$21.55	\$218.31	\$63.72
Ontario	\$304.96	\$153.15	\$42.71	\$25.76	\$221.62	\$83.34
Québec	\$260.42	\$155.72	\$42.50	\$23.65	\$221.87	\$38.55
Tyson (USD)/Iowa	\$262.46	\$113.72	\$30.70	\$18.57	\$162.99	\$99.47
John Morrell (USD)/ND	\$261.58	\$111.99	\$30.70	\$18.57	\$161.26	\$100.32

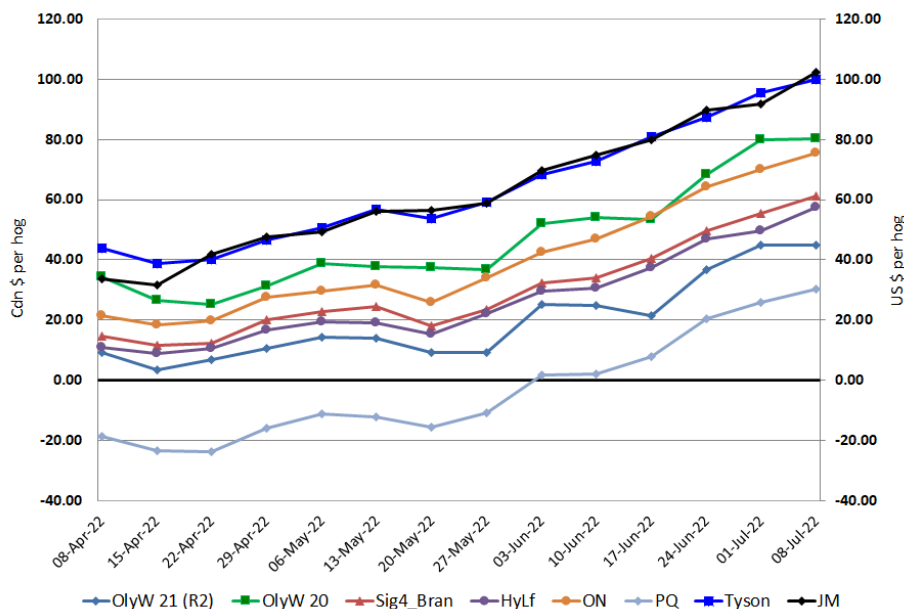
\* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD,

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

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

Tyson: \$99.47 USD x 1.2904 = \$128.36 CAD  
 Morrell: \$100.32 USD x 1.2904 = \$129.45 CAD

Canadian & US Margins Last 13 weeks



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