



Weekly Regional HOG PRICE Report



Things to Consider....

September 6, 2022

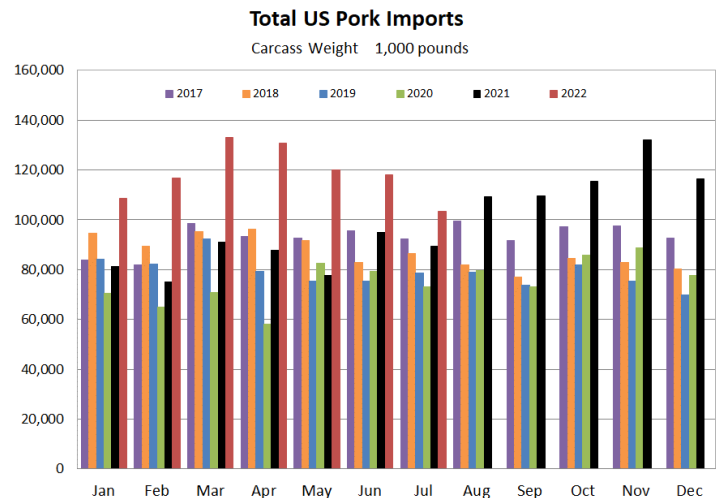
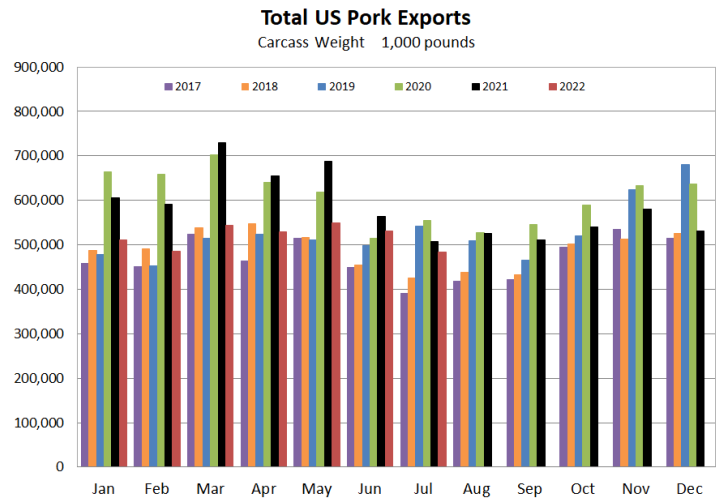
The latest US livestock and meat trade data reflected total US pork exports at 484.0 million pounds for July, down 47.1 million pounds from June levels and 24.2 million pounds under last year.

Most major destinations for US pork generally recorded reduced quantities on the latest report. US pork to Mexico was reported 8.8 million pounds lower for July and fell to the lowest level recorded in a year, however, continues at strong levels seasonally and is 13.9 million pounds over last year. US pork to Japan fell 8.5 million pounds to a 6-month low, continuing below last year. US pork to the Dominican Republic dropped 7.7 million pounds or -36.0% lower for July, down to the lowest recorded since last September though remains at historically strong pre-pandemic levels and is +13.3% over last year. Colombia fell 6.8 million pounds from last reported, though continues very strong historically bringing US pork exports to the country 5.0 million pounds over last year. US pork to South Korea dropped 5.5 million pounds for July, with the latest volume 5.1 million pounds over last year, while China* (including Hong Kong and Taiwan) fell 4.7 million pounds from last reported bringing them 14.8 million pounds under last year. Other notable destinations recorded generally 1–2-million-pound declines such as Canada, Honduras & Australia.

Total US pork imports fell -14.5 million pounds or -12.3% under June, bringing current imports 14.0 million pounds or +15.7% above year ago levels. US imports of pork from most of their primary foreign suppliers are at increased levels compared to last year. Imports from Canada declined 5.9 million pounds or -8.3% for July and fell to the lowest recorded since last year, bringing them 9.0 million pounds or +16.1% over year ago levels. Despite the steady decline in recent months, quantities of Canadian pork headed to the US remain at strong levels. Notably, the US imported 27.7 million pounds more pork from Canada than it exported to the country for the month of July. US pork imports from Denmark rose 1.3 million pounds or +16.1% from a month earlier and are +83.2% over last year, however the tally recorded for July of last year was considered low seasonally. Mexico declined 600 thousand pounds or -7.1% in July but is +11.0% over last year with year ago levels considered strong historically.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Jul-21	Jun-22	Jul-22	M/M%	Y/Y%	YTD/LYTD%
Australia	12,477	12,915	12,034	-6.8%	-3.6%	-44.8%
Canada	47,456	38,820	37,548	-3.3%	-20.9%	-14.7%
China*	63,539	53,387	48,690	-8.8%	-23.4%	-65.3%
Colombia	20,320	32,144	25,313	-21.3%	24.6%	12.8%
Japan	98,445	95,505	87,053	-8.8%	-11.6%	-11.5%
Mexico	154,931	177,571	168,789	-4.9%	8.9%	24.5%
South Korea	40,016	50,571	45,106	-10.8%	12.7%	-2.5%
All US Pork Exports	508,223	531,104	483,990	-8.9%	-4.8%	-16.3%

*Includes Mainland, Hong Kong & Taiwan



Weekly Hog Price Recap

National cash hog bids were considerably lower in the week ahead of the Labor Day long weekend, with cash hog values down throughout the week. CME cash fell daily with declines heavier early on but carrying through to the end of the week. Wholesale pork values varied during the week though most primals finished under the previous week, with US pork cutout \$3.70/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	02-Sep-22	Head	26-Aug-22		
ISM pm		\$108.08		\$126.24	-\$18.16	-14.4%
WCB pm		\$107.38		\$125.15	-\$17.77	-14.2%
Nat pm		\$103.68		\$121.37	-\$17.68	-14.6%
CME Index*		\$107.85		\$117.31	-\$9.46	-8.1%
Sows, 300-449lbs	10,045	\$70.48	12,837	\$77.39	-\$6.90	-8.9%
Sows, 500+ lbs	8,470	\$79.90	11,022	\$83.68	-\$3.78	-4.5%
BoC Exch		1.3097		1.2983	0.0114	0.9%

* Represents Friday-Thursday average

Canadian market hog values dropped on significant declines in cash hog pricing. Hogs out of Quebec fell \$28.15/hog while those out of Ontario were down \$22.75/hog and the ML Sig 4 was \$18.85/hog lower. The OlyW 21 fell near \$21.50/hog and the OlyW 20 was \$16.45/hog lower, while Hylife hogs were down \$7.30/hog and BP/TC declined \$6/hog. In the US hog, Tyson was down \$19.60/hog while JM dropped nearly \$37/hog from week ago levels.

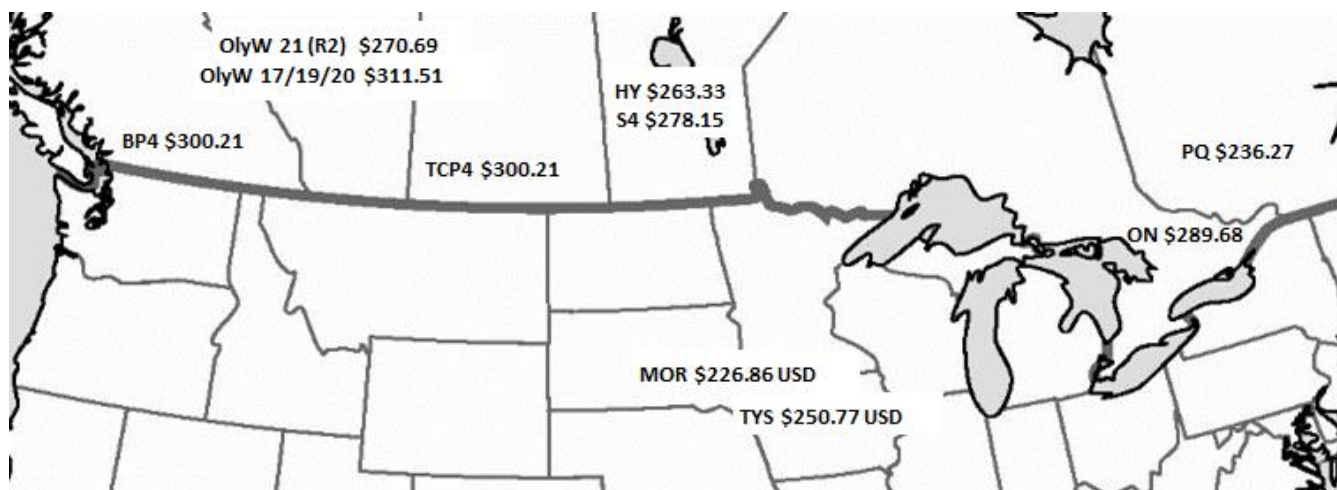
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 02-Sep-22	Difference to OlyW21
OlyW 2021 (R2)**	\$216.18		\$253.67		\$278.89		\$270.69	
OlyW 17/19/20*	\$212.40	-\$3.78	\$277.22	\$23.55	\$312.69	\$33.80	\$311.51	\$40.81
ML Sig 4	\$211.54	-\$4.63	\$257.31	\$3.64	\$286.45	\$7.56	\$278.15	\$7.46
BP4/TCP4	\$212.93	-\$3.24	\$257.55	\$3.88	\$288.26	\$9.37	\$300.21	\$29.52
Hylife	\$215.82	-\$0.36	\$256.02	\$2.34	\$280.24	\$1.35	\$263.33	-\$7.37
Ontario***	\$214.48	-\$1.69	\$270.17	\$16.49	\$304.96	\$26.07	\$289.68	\$18.98
Québec	\$221.23	\$5.05	\$244.03	-\$9.65	\$260.66	-\$18.23	\$236.27	-\$34.42
Tyson (USD)	\$164.09	-\$52.08	\$229.26	-\$24.41	\$263.63	-\$15.26	\$250.77	-\$19.92
John Morrell (USD)	\$157.45	-\$58.72	\$227.53	-\$26.14	\$260.38	-\$18.51	\$226.86	-\$43.84

* 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 were heavily pressured by declines in hog values and were further impacted by rising feed prices. Canadian farrow-to-finish feed costs rose \$4.15/hog higher, while those in the monitored US region were up \$1.65/hog from the week previous.

Hog margins out the OlyW 20 weakened \$20.55 to \$76.65/hog profits on the week, followed by those out of Ontario which weakened \$26.85 to \$55.10/hog profits. Hog margins out of the ML Sig 4 dropped shy of \$23 to nearly \$47/hog profits and Hylife margins weakened \$11.40 to a little over \$32/hog profits. OlyW 21 margins fell \$25.55 to \$35.80/hog profits and those out of Quebec weakened \$32.25 to \$1.45/hog profits. In the US, Tyson margins declined \$21.25 to \$78.65/hog profits while JM weakened \$38.60 to \$56.50/hog profits from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	02-Sep-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$311.51	\$171.36	\$41.45	\$22.05	\$234.86	\$76.65
OlyW 21 (R2)/Alberta	\$270.69	\$171.36	\$41.45	\$22.05	\$234.86	\$35.83
ML Sig 4/Manitoba	\$278.15	\$168.16	\$41.54	\$21.55	\$231.25	\$46.90
Hylife/Manitoba	\$263.33	\$168.16	\$41.54	\$21.55	\$231.25	\$32.08
Ontario	\$289.68	\$166.09	\$42.71	\$25.76	\$234.56	\$55.12
Québec	\$236.27	\$168.66	\$42.50	\$23.65	\$234.81	\$1.46
Tyson (USD)/Iowa	\$250.77	\$122.84	\$30.70	\$18.57	\$172.11	\$78.66
John Morrell (USD)/ND	\$226.86	\$121.11	\$30.70	\$18.57	\$170.38	\$56.48

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

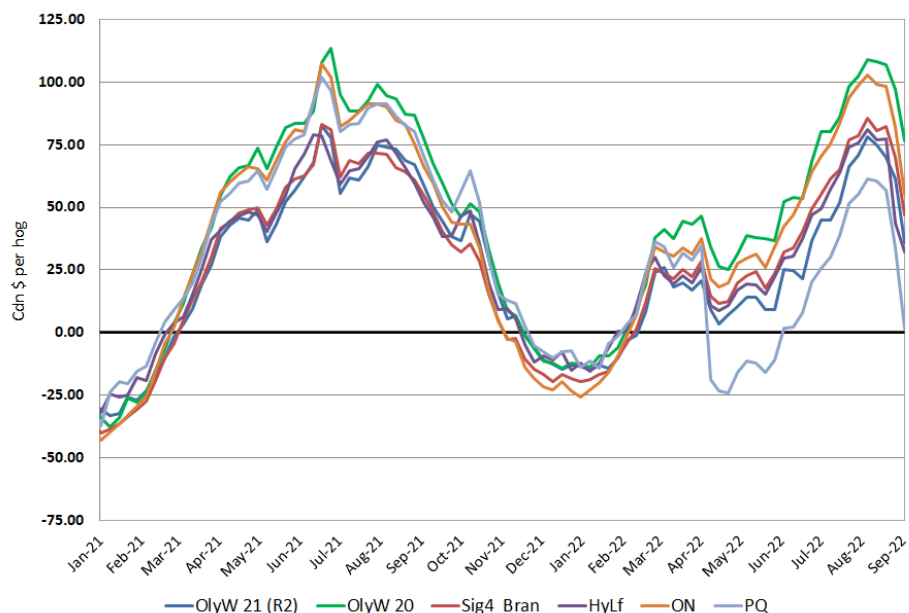
* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: \$78.66 USD x 1.3139 = \$103.35 CAD

Morrell: \$56.48 USD x 1.3139 = \$74.21 CAD

Canadian Margins 2021-2022



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