



# Weekly Regional HOG PRICE Report



## Things to Consider....

September 20, 2022

Retail bacon slipped 4 cents or -0.6% to \$7.37/lb, bringing the latest prices +3.9% or \$0.28 over year ago levels. Current retail bacon price levels are \$1.30 over the 3-year average for the month of August.

In comparison, wholesale belly values were up +3.6% from July or \$6.69 higher to \$191.23/cwt for August, with current values -10.5% or \$22.39 under this time last year.

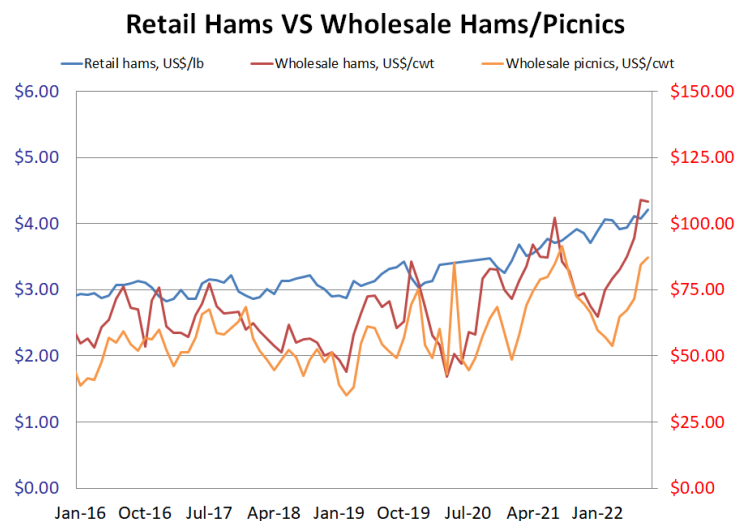
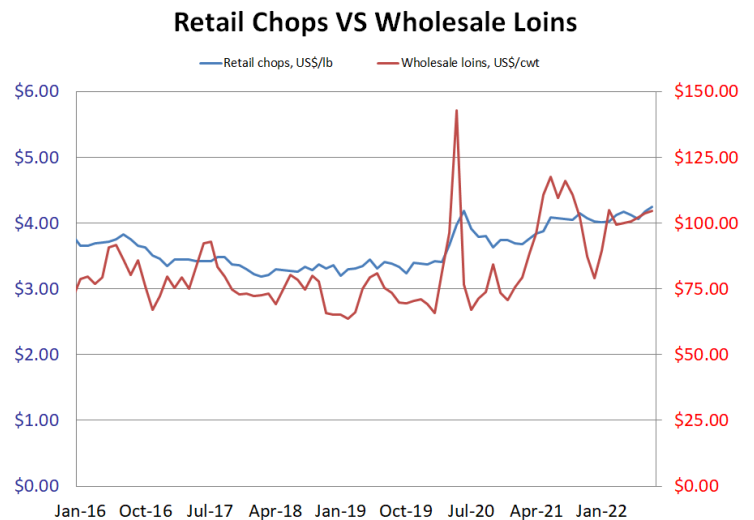
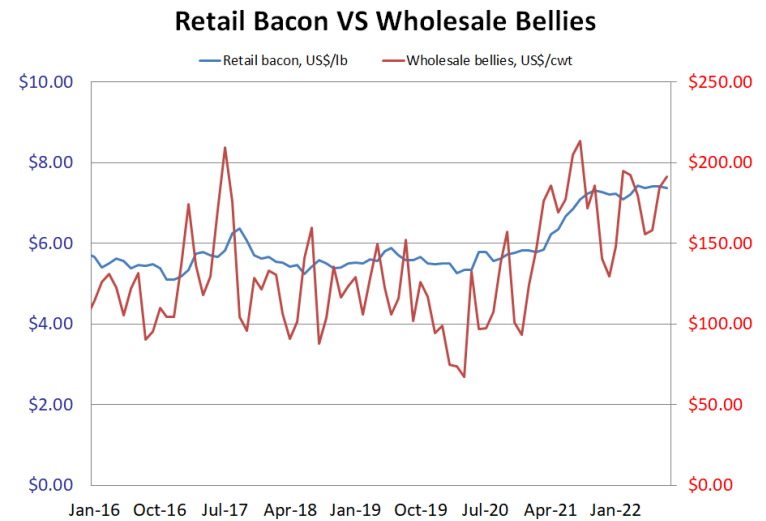
All retail chops edged 7 cents higher or +1.8% to \$4.25/lb for August, bringing the latest retail cut 19 cents or +4.7% over last year. Current retail price levels are 51 cents over the 3-year average for the month of August. Boneless chops climbed 14 cents higher or +3.1% to \$4.60/lb, bringing boneless chops +2.9% or 13 cents over last year. Bone-in chops slipped 6 cents or -1.3% to \$4.56/lb, bringing the cut +5.4% or 23 cents over year ago levels.

Wholesale loins values were up \$0.95 to \$104.77/cwt or +0.9% from the previous month, and -9.8% or \$11.39/cwt under last year.

All retail hams rose 13 cents or +3.2% to \$4.21/lb for August, bringing hams 47 cents or +12.4% over year ago levels. Current retail price levels are 68 cents over the 3-year average for the month of August. Boneless ham climbed 6 cents or +1.2% to \$5.35/lb on the month, bringing the cut 66 cents or +14.2% over last year.

Wholesale ham values averaged \$108.40/cwt which was down a modest \$0.47 or -0.4% from July, and are \$22.58 higher or +26.3% over year ago levels. For comparison wholesale picnics averaged \$87.15/cwt, up \$2.80 or +3.3% for August however are \$4.31 or -4.7% under last year.

The category reporting other retail pork prices edged 1 cent or -0.3% lower to \$3.63/lb, bringing other pork 16 cents or +4.6% over last year. Current levels are 56 cents over the 3-year average for the month of August.



# Weekly Hog Price Recap

Cash hogs were mixed to lower during the week, with national cash recording declines near daily however recorded a nearly \$10/cwt increase Tuesday. Regional cash improved through to mid-week, however slipped moderately into the end of the week. CME cash declined the front-half of the week with Monday down significantly, while late-week recorded modest rises. Most wholesale pork primal values improved, excluding picnics, which supported US pork cutout \$2.72/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	16-Sep-22	Head	09-Sep-22		
ISM pm		\$98.71		\$101.69	-\$2.98	-2.9%
WCB pm		\$98.57		\$100.90	-\$2.33	-2.3%
Nat pm		\$94.61		\$95.61	-\$1.00	-1.0%
CME Index*		\$97.86		\$101.14	-\$3.28	-3.2%
Sows, 300-449lbs	12,836	\$64.33	11,209	\$66.23	-\$1.91	-2.9%
Sows, 500+ lbs	12,762	\$70.44	9,971	\$72.91	-\$2.47	-3.4%
BoC Exch		1.3148		1.3114	0.0034	0.3%

\* Represents Friday-Thursday average

Monitored hog markets recorded another week of declines, with those derived from lagged base-pricing generally down the most. BP/TC dropped \$11.65/hog while the OlyW 20 was closer to \$11/hog lower and the OlyW 21 fell \$4.30/hog. Hogs out of Quebec fell \$10/hog while Ontario hogs were down \$8.50/hog, and ML Sig 4 hogs declined \$8.70/hog while those out of Hylife fell \$7.10/hog. In the US, Tyson dropped nearly \$21/hog while JM fell \$4.85/hog from week ago levels.

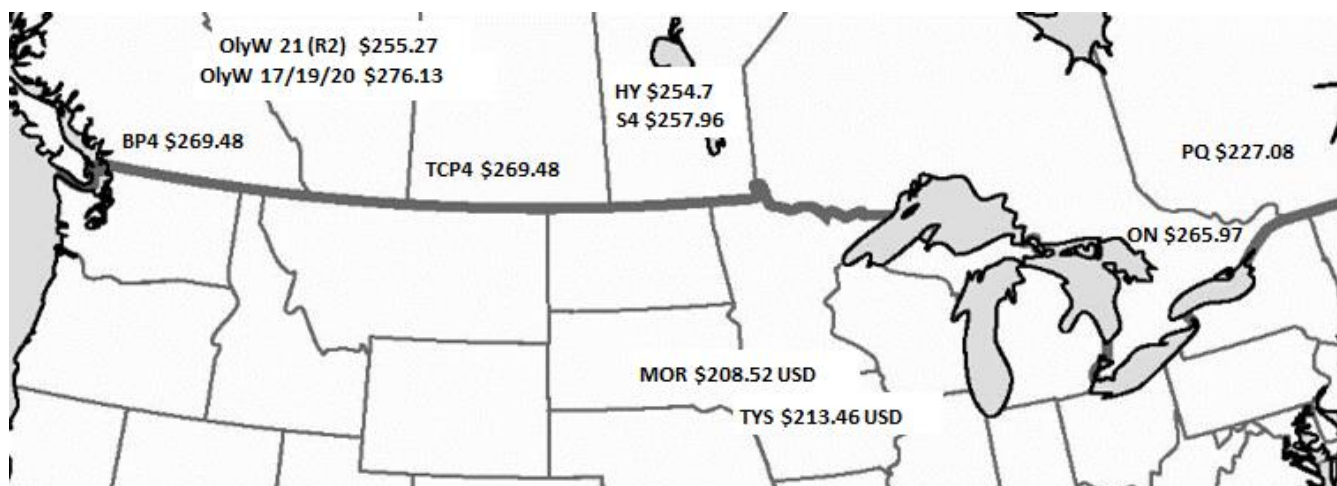
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 16-Sep-22	Difference to OlyW21
OlyW 2021 (R2)**	\$216.84		\$253.88		\$278.83		\$255.27	
OlyW 17/19/20*	\$213.12	-\$3.72	\$277.46	\$23.58	\$311.65	\$32.82	\$276.13	\$20.86
ML Sig 4	\$212.30	-\$4.54	\$257.58	\$3.70	\$285.55	\$6.72	\$257.96	\$2.69
BP4/TCP4	\$213.70	-\$3.13	\$258.51	\$4.63	\$289.76	\$10.93	\$269.48	\$14.21
Hylife	\$216.58	-\$0.25	\$256.08	\$2.20	\$279.18	\$0.36	\$254.70	-\$0.57
Ontario***	\$215.29	-\$1.55	\$270.17	\$16.29	\$302.67	\$23.84	\$265.97	\$10.70
Québec	\$221.51	\$4.67	\$243.38	-\$10.49	\$259.50	-\$19.33	\$227.08	-\$28.19
Tyson (USD)	\$165.03	-\$51.81	\$228.97	-\$24.90	\$259.23	-\$19.60	\$213.46	-\$41.81
John Morrell (USD)	\$158.39	-\$58.44	\$226.64	-\$27.24	\$254.17	-\$24.66	\$208.52	-\$46.75

\* 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 continue to be heavily weighed on by declines in hog values and faced additional pressure from rising feed costs. Canadian farrow-to-finish feed costs rose \$3.30/hog, while those in the monitored US region were up \$2.85/hog from the week previous.

Hog margins out the OlyW 20 weakened \$14.35 to \$38.10/hog profits on the week, followed by those out of Ontario which weakened near \$11.85 to \$28.25/hog profits. Hog margins out of the ML Sig 4 dropped \$12 to \$23.50/hog profits and Hylife margins weakened \$10.45 to \$20.25/hog profits. OlyW 21 margins fell \$7.65 to \$17.20/hog profits while those out of Quebec weakened \$13.35 to shy of \$11/hog losses. In the US, Tyson margins weakened \$23.75 to \$38.40/hog profits while JM fell \$7.70 to \$35.20/hog profits from last week.

Regional MARGINS, \$/hog						
Packer/Region	16-Sep-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$276.13	\$174.55	\$41.45	\$22.05	\$238.05	\$38.08
OlyW 21 (R2)/Alberta	\$255.27	\$174.55	\$41.45	\$22.05	\$238.05	\$17.22
ML Sig 4/Manitoba	\$257.96	\$171.35	\$41.54	\$21.55	\$234.44	\$23.52
Hylife/Manitoba	\$254.70	\$171.35	\$41.54	\$21.55	\$234.44	\$20.26
Ontario	\$265.97	\$169.28	\$42.71	\$25.76	\$237.75	\$28.22
Québec	\$227.08	\$171.85	\$42.50	\$23.65	\$238.00	-\$10.92
Tyson (USD)/Iowa	\$213.46	\$125.80	\$30.70	\$18.57	\$175.07	\$38.39
John Morrell (USD)/ND	\$208.52	\$124.07	\$30.70	\$18.57	\$173.34	\$35.18

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

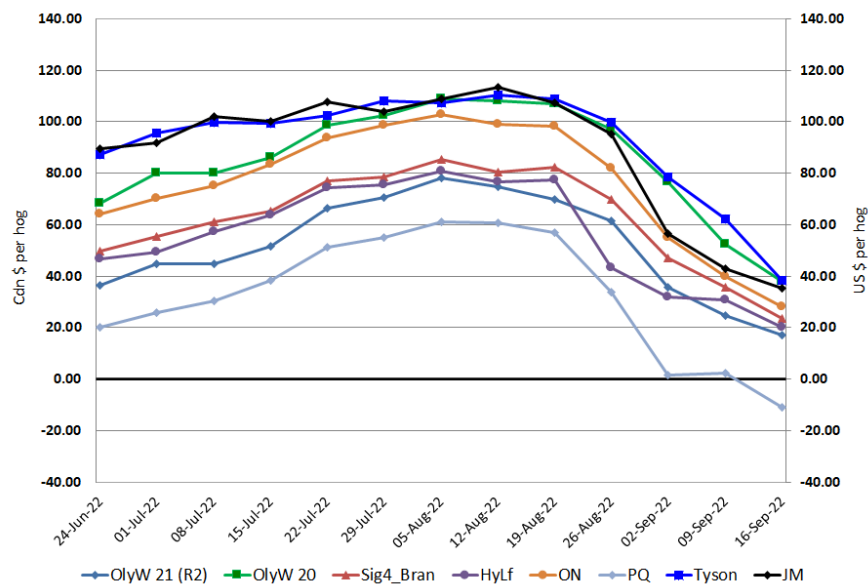
\* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: \$38.39 USD x 1.3345 = \$51.23 CAD

Morrell: \$35.18 USD x 1.3345 = \$46.95 CAD

Canadian & US Margins Last 13 weeks



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