



Weekly Regional HOG PRICE Report



Things to Consider....

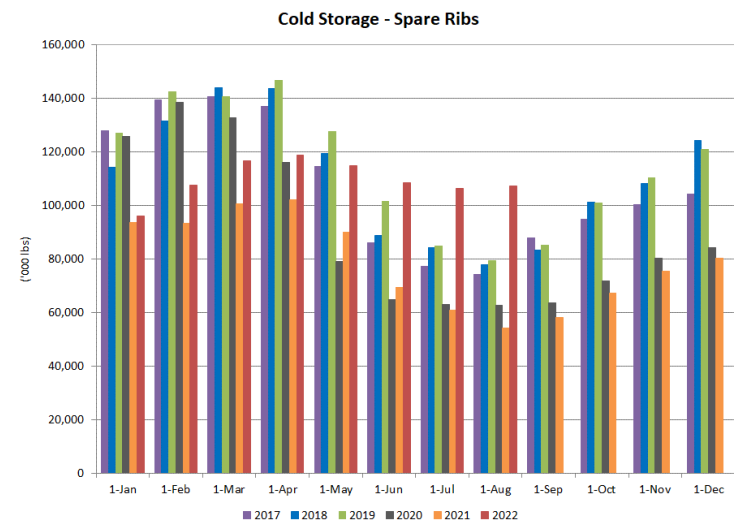
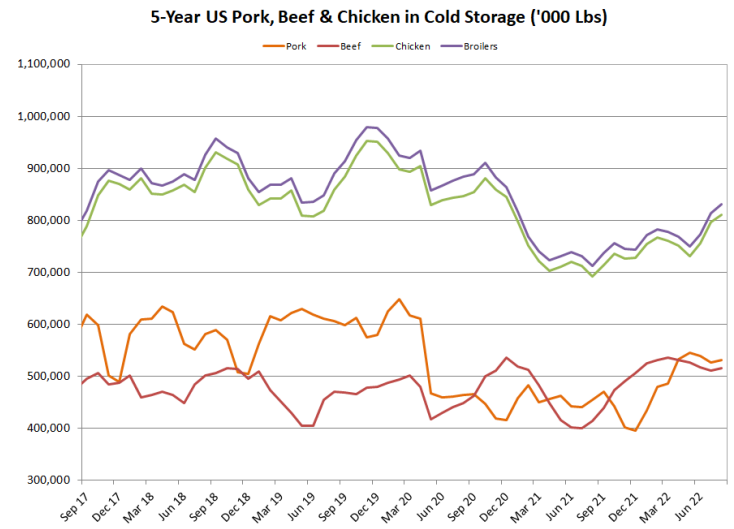
September 27, 2022

The latest US Cold Storage numbers reported pork stocks at 532.0 million pounds for August, up 5.6 million pounds from July and 77.8 million pounds over year ago levels. For reference, total pork in cold storage for July was revised lower from 530.1 to 526.5 million pounds. The latest report reflected mixed moves in pork commodity groups overall, however significant declines in belly stocks and trimmings were offset by increased ham and other pork supplies.

Bellies in cold storage dropped 10.3 million pounds in a continued seasonal trend, bringing them 14.9 million pounds over last year. Trimmings fell 6.8 million pounds from last reported and are 2.7 million pounds over last year, while variety meats slipped 930 thousand pounds for August and are 904 thousand pounds over year ago levels. Total loins edged 217 thousand pounds lower than last reported, up 3.8 million pounds over last year.

Total hams in cold storage rose 11.9 million pounds from July with the bone-in variety up more than the boneless variety proportionately, bringing them 22.1 million pounds under a year earlier. Historically, hams in cold storage climb from April onward to peak in September. Other pork, which includes ears, tails, feet, neckbones and snouts, increased 7.1 million pounds for August and is 11.4 million pounds over last year. Remaining pork commodities were up generally 1-2 million pounds for August, with butts notably up 2.1 million pounds for August to a 7-year high for the month historically and is 3.7 million pounds over a year earlier. Spare-ribs continue with high stocks in cold storage and recorded a new high for the month of August historically, up a modest 1.0 million pounds on the month and 53.2 million pounds over last year.

US Pork in Cold Storage					
('000 lbs)	Aug-22	Jul-22	Aug-21	M/M %	Y/Y %
Picnics	6,960	6,685	5,408	4.1%	28.7%
Hams	163,527	151,634	185,640	7.8%	-11.9%
Bellies	32,493	42,842	17,562	-24.2%	85.0%
Loins	33,159	33,376	29,341	-0.7%	13.0%
Ribs	107,318	106,315	54,150	0.9%	98.2%
Butts	16,908	14,808	13,163	14.2%	28.5%
Trimmings	39,930	46,769	37,237	-14.6%	7.2%
Other	60,144	53,078	48,761	13.3%	23.3%
Total Pork	532,039	526,478	454,203	1.1%	17.1%



Weekly Hog Price Recap

Cash hogs improved overall though recorded late-week declines, with national cash up in the front-half of the week while regional cash was up mid-week. Alternatively, CME cash declined much of the week though moved more modestly. Most wholesale pork primal values declined moderately, excluding butts and picnics which improved, with US pork cutout finishing \$2.68/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	23-Sep-22	Head	16-Sep-22		
ISM pm		\$99.36		\$98.71	\$0.65	0.7%
WCB pm		\$99.32		\$98.57	\$0.76	0.8%
Nat pm		\$93.57		\$94.61	-\$1.04	-1.1%
CME Index*		\$98.07		\$97.86	\$0.21	0.2%
Sows, 300-449lbs	11,313	\$68.40	12,836	\$64.33	\$4.08	6.3%
Sows, 500+ lbs	12,459	\$74.75	12,762	\$70.44	\$4.31	6.1%
BoC Exch		1.3416		1.3148	0.0268	2.0%

* Represents Friday-Thursday average

Monitored hog markets generally improved \$3-\$6 per hog on the week, excluding those derived from lagged base-pricing. BP/TC was down the most, \$8.80/hog lower, while the OlyW 20 fell \$1.35/hog and the OlyW 21 climbed \$1.80/hog. Hogs out of Ontario rose \$5.75/hog while the ML Sig 4 was up \$5/hog, Hylife was \$4.50/hog higher and Quebec improved shy of \$3/hog. In the US, Tyson dropped near \$4/hog while JM climbed \$1.55/hog higher than week ago levels.

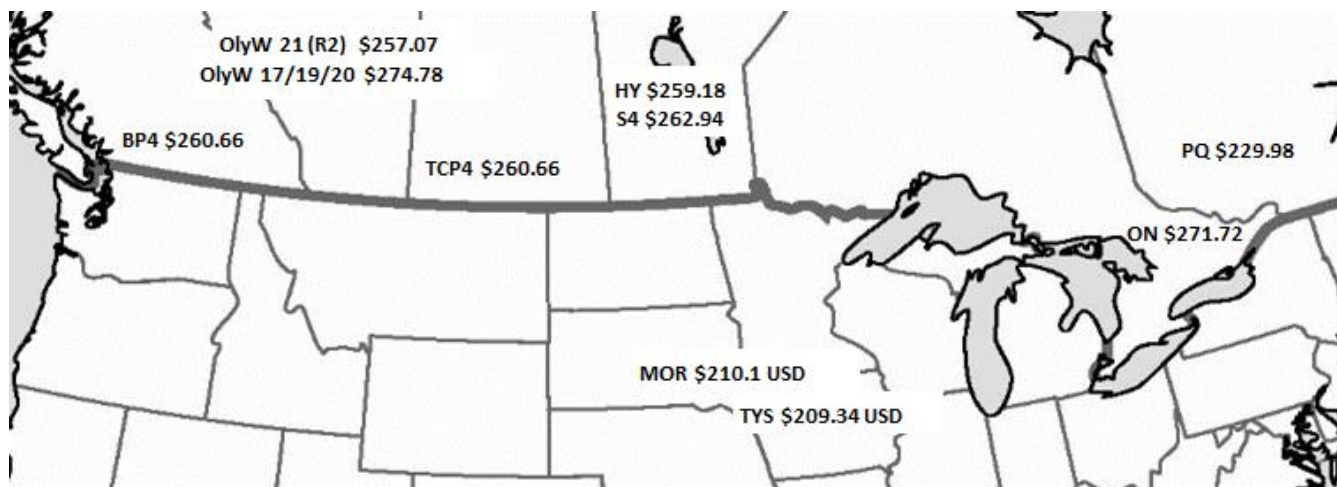
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 23-Sep-22	Difference to OlyW21
OlyW 2021 (R2)**	\$217.31		\$253.96		\$277.91		\$257.07	
OlyW 17/19/20*	\$213.63	-\$3.68	\$277.39	\$23.43	\$309.65	\$31.74	\$274.78	\$17.70
ML Sig 4	\$212.80	-\$4.50	\$257.72	\$3.76	\$284.35	\$6.44	\$262.94	\$5.87
BP4/TCP4	\$214.09	-\$3.21	\$258.57	\$4.61	\$288.62	\$10.71	\$260.66	\$3.59
Hylife	\$217.09	-\$0.21	\$256.16	\$2.20	\$277.92	\$0.01	\$259.18	\$2.11
Ontario***	\$215.85	-\$1.45	\$270.21	\$16.25	\$300.78	\$22.87	\$271.72	\$14.65
Québec	\$221.77	\$4.46	\$243.03	-\$10.93	\$257.75	-\$20.16	\$229.98	-\$27.10
Tyson (USD)	\$165.52	-\$51.78	\$228.46	-\$25.51	\$255.47	-\$22.44	\$209.34	-\$47.73
John Morrell (USD)	\$158.98	-\$58.33	\$226.20	-\$27.76	\$250.41	-\$27.50	\$210.10	-\$46.98

* 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 strengthened overall on improved hog values, despite an increase in feed costs. Canadian farrow-to-finish feed costs rose \$2.80/hog, while those in the monitored US region edged \$0.20/hog higher than the week previous.

Hog margins out the OlyW 20 weakened \$4.15 to \$34/hog profits on the week, followed by those out of Ontario which strengthened \$3 to \$31.20/hog profits. Hog margins out of the ML Sig 4 improved \$2.20 to \$25.70/hog profits and Hylife margins climbed \$1.70 to nearly \$22/hog profits. OlyW 21 margins fell \$1 to \$16.25/hog profits while margins out of Quebec were fairly stable at nearly \$11/hog losses. In the US, Tyson margins weakened \$4.35 to \$34/hog profits while JM strengthened \$1.35 to \$36.55/hog profits from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	23-Sep-22 Hog Price	Farrow to Finish Feed*	Variable	Fixed	Total COP	Weekly Margin
OlyW 20/Alberta	\$274.78	\$177.34	\$41.45	\$22.05	\$240.84	\$33.94
OlyW 21 (R2)/Alberta	\$257.07	\$177.34	\$41.45	\$22.05	\$240.84	\$16.23
ML Sig 4/Manitoba	\$262.94	\$174.14	\$41.54	\$21.55	\$237.23	\$25.71
Hylife/Manitoba	\$259.18	\$174.14	\$41.54	\$21.55	\$237.23	\$21.95
Ontario	\$271.72	\$172.07	\$42.71	\$25.76	\$240.54	\$31.18
Québec	\$229.98	\$174.64	\$42.50	\$23.65	\$240.79	-\$10.81
Tyson (USD)/Iowa	\$209.34	\$126.02	\$30.70	\$18.57	\$175.29	\$34.05
John Morrell (USD)/ND	\$210.10	\$124.29	\$30.70	\$18.57	\$173.56	\$36.54

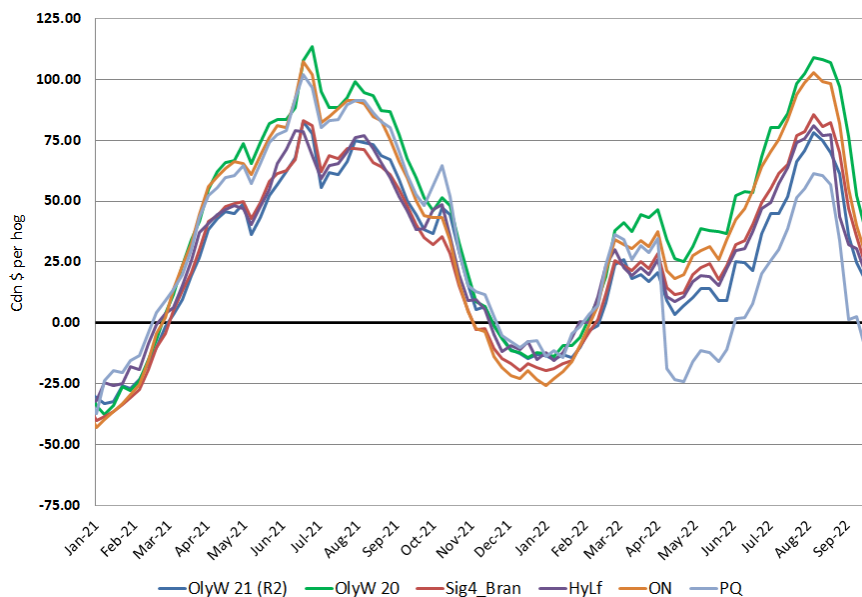
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$34.05 USD x 1.3726 = \$46.73 CAD
 Morrell: \$36.54 USD x 1.3726 = \$50.15 CAD

Canadian Margins 2021-2022



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