



# Weekly Regional HOG PRICE Report



## Things to Consider....

November 15, 2022

The latest US livestock and meat trade data reflected stable US pork exports in the month of September. Total US pork exports at 513.0 million pounds were up a modest 544 thousand pounds from a month earlier and 2.8 million pounds over last year. Current US pork exports are down -13.4% year-to-date, largely attributed to the strong export rates recorded in the front-half of 2021.

US pork to Japan rose 12.5m pounds in September, bringing current exports 5.6m pounds over last year, while pork to Canada jumped 11.3m pounds on the month but is 5.2m pounds under year ago levels. Other destinations recorded more moderate improvements such as Australia & the Dominican Republic which were each up more than 2 million pounds from August, and Colombia which climbed 1.1 million pounds.

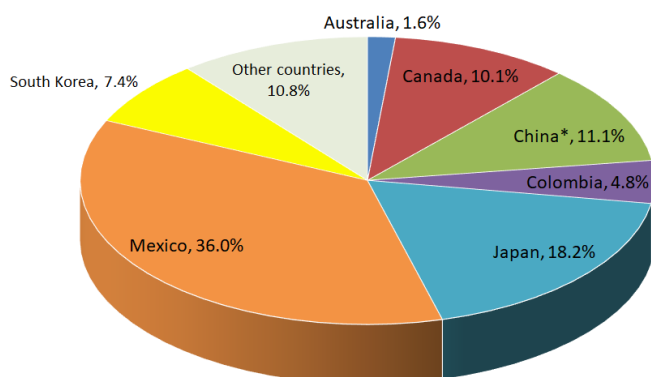
US pork to Mexico and China\* recorded the largest declines from the month previous with the Philippines, South Korea and Honduras also reporting notable 3-5 million pound reductions. Mexico dropped 10.5m pounds from August and while current export levels are 4.3m pounds under year ago levels, US pork to Mexico continues at strong levels historically. Mainland China decreased their imports of US pork by 8.7m pounds in the latest data, bringing total exports to China\* (including Hong Kong and Taiwan) 8.9m pounds under last reported however 3.1m pounds over last year.

Total US pork imports for September fell 9.7m pounds or -8.7% under the month previous, bringing the latest imports 7.8m pounds or -7.1% under last year's record strong levels. Imports from Canada declined 4.0m pounds or -5.6% for September, down 3.4m pounds or -4.9% under last year. Notably, the US imported 14.9m pounds more pork from Canada than it exported to the country for the month of September.

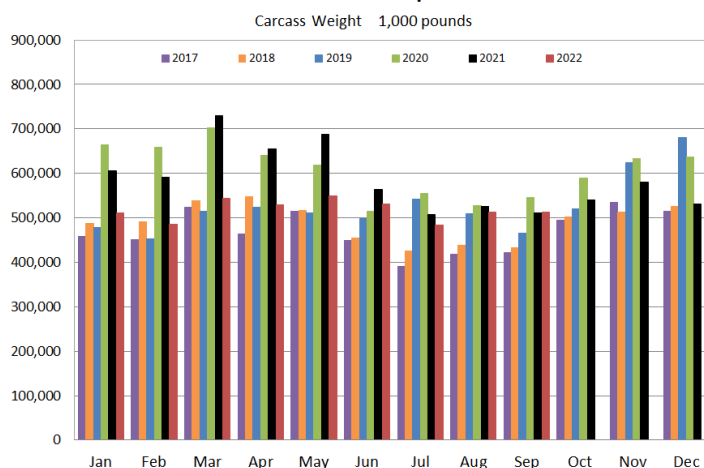
US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Sep-21	Aug-22	Sep-22	M/M%	Y/Y%	YTD/LYTD%
Australia	9,618	5,735	7,995	39.4%	-16.9%	-43.1%
Canada	56,838	40,343	51,653	28.0%	-9.1%	-13.2%
China*	54,082	66,115	57,172	-13.5%	5.7%	-57.4%
Colombia	22,154	23,509	24,634	4.8%	11.2%	10.5%
Japan	87,888	81,026	93,530	15.4%	6.4%	-10.7%
Mexico	189,051	195,258	184,790	-5.4%	-2.3%	18.3%
South Korea	27,354	41,162	37,820	-8.1%	38.3%	3.5%
<b>All US Pork Exports</b>	<b>510,147</b>	<b>512,439</b>	<b>512,983</b>	<b>0.1%</b>	<b>0.6%</b>	<b>-13.4%</b>

\*Includes Mainland, Hong Kong & Taiwan

Percentage of Total US Pork Exports: Latest, Sep 2022



Total US Pork Exports



# Weekly Hog Price Recap

Cash hogs were mixed to lower during the week, with regional cash down near daily while national cash recorded some mid and late-week improvements. CME cash was down each day with moves recording a generally steady pace. Wholesale pork primals finished mixed, with lower bellies, loins and butts weighing US pork cutout \$1.16/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	11-Nov-22	Head	04-Nov-22		
ISM pm		\$87.22		\$90.19	-\$2.97	-3.3%
WCB pm		\$86.96		\$90.01	-\$3.04	-3.4%
Nat pm		\$86.05		\$87.77	-\$1.72	-2.0%
CME Index*		\$89.64		\$92.92	-\$3.28	-3.5%
Sows, 300-449lbs	10,515	\$61.24	10,949	\$62.46	-\$1.22	-2.0%
Sows, 500+ lbs	10,049	\$68.38	11,751	\$70.02	-\$1.64	-2.3%
BoC Exch		1.3448		1.3632	-0.0184	-1.3%

\* Represents Friday-Thursday average

Monitored hog markets continue to fall as a result of lower cash hog and pork values. Hog values out of Ontario dropped \$12.75/hog, followed by those out of ML with the Sig 4 down \$10.25/hog while those out of Quebec & Hylife were each down near \$9/hog. The OlyW 20 fell \$7.75/hog, while the OlyW 21 was down \$4.60/hog and BP/TC declined \$2.85/hog. In the US, Tyson hog values fell \$7.45/hog while JM was \$6.35/hog under the week previous.

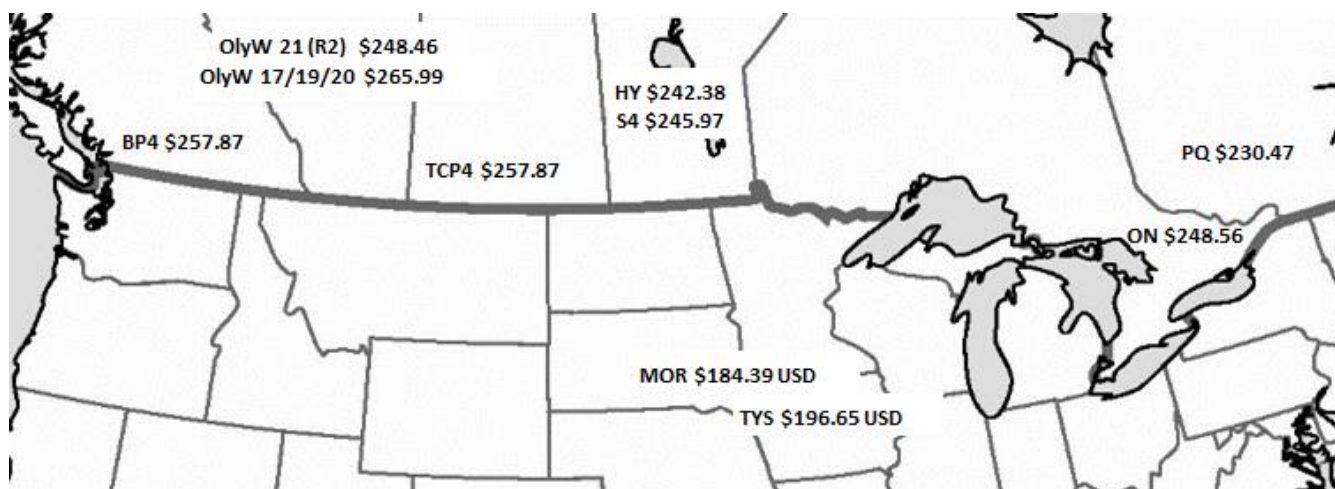
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 11-Nov-22	Difference to OlyW21
OlyW 2021 (R2)**	\$220.74		\$254.19		\$262.81		\$248.46	
OlyW 17/19/20*	\$217.71	-\$3.03	\$276.79	\$22.60	\$286.39	\$23.58	\$265.99	\$17.53
ML Sig 4	\$217.64	-\$3.10	\$258.53	\$4.35	\$267.24	\$4.43	\$245.97	-\$2.49
BP4/TCP4	\$218.03	-\$2.71	\$259.07	\$4.88	\$273.40	\$10.59	\$257.87	\$9.41
Hylife	\$220.44	-\$0.30	\$255.61	\$1.42	\$260.03	-\$2.78	\$242.38	-\$6.08
Ontario***	\$220.14	-\$0.61	\$269.07	\$14.88	\$275.09	\$12.28	\$248.56	\$0.10
Québec	\$224.08	\$3.33	\$241.65	-\$12.54	\$239.60	-\$23.21	\$230.47	-\$17.99
Tyson (USD)	\$169.25	-\$51.50	\$224.48	-\$29.71	\$220.98	-\$41.83	\$196.65	-\$51.81
John Morrell (USD)	\$162.79	-\$57.95	\$221.63	-\$32.56	\$213.17	-\$49.64	\$184.39	-\$64.07

\* 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

Hog margins continue to be pressured by declines in hog and pork values, however were offset in part by a significant drop in feed costs this week. Canadian farrow-to-finish feed costs dropped \$5.50/hog, while those in the monitored US region fell \$2.25/hog from a week earlier.

Hog margins out the OlyW 20 weakened \$2.30 to \$29/hog profits. ML Sig 4 margins fell \$4.75 to \$12.60/hog profits, while Ontario hog margins weakened \$7.25 to shy of \$12/hog profits and the OlyW 21 strengthened \$0.85 to \$11.50/hog profits. Hylife margins were down \$3.50 to \$9/hog profits, while Quebec weakened \$3.75 to \$6.45/hog losses. In the US, Tyson margins declined \$5.20 to more than \$21/hog profits while JM weakened \$4 to \$10.60/hog profits from the previous week.

Regional MARGINS, \$/hog						
Packer/Region	11-Nov-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$265.99	\$173.46	\$41.45	\$22.05	\$236.96	\$29.03
OlyW 21 (R2)/Alberta	\$248.46	\$173.46	\$41.45	\$22.05	\$236.96	\$11.50
ML Sig 4/Manitoba	\$245.97	\$170.26	\$41.54	\$21.55	\$233.35	\$12.62
Hylife/Manitoba	\$242.38	\$170.26	\$41.54	\$21.55	\$233.35	\$9.03
Ontario	\$248.56	\$168.19	\$42.71	\$25.76	\$236.66	\$11.90
Québec	\$230.47	\$170.76	\$42.50	\$23.65	\$236.91	-\$6.44
Tyson (USD)/Iowa	\$196.65	\$126.26	\$30.70	\$18.57	\$175.53	\$21.12
John Morrell (USD)/ND	\$184.39	\$124.53	\$30.70	\$18.57	\$173.80	\$10.59

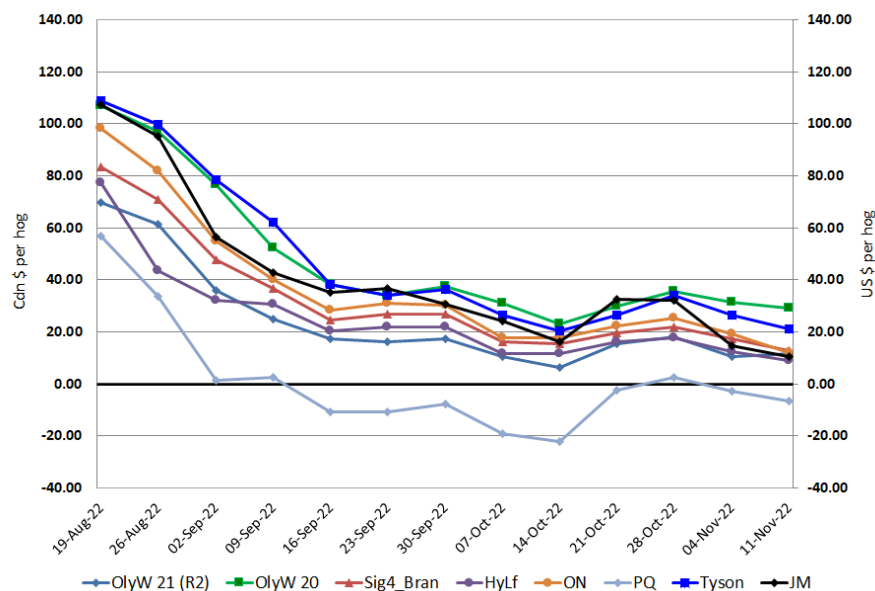
\* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$21.12 USD x 1.329 = \$28.07 CAD  
 Morrell: \$10.59 USD x 1.329 = \$14.07 CAD

## Canadian & US Margins Last 13 weeks



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