



Weekly Regional HOG PRICE Report



Things to Consider....

November 1, 2022

The latest data for Canadian pork exports recorded September at 106.4 thousand MT, the lowest since July 2021 at 104.2 thousand MT. Total Canadian pork exports slipped -1.7% from August, bringing them - 5.0% under year ago levels. Overall, pork export values for the same period fell -3.0% from last reported, with the latest values -5.1% under last year.

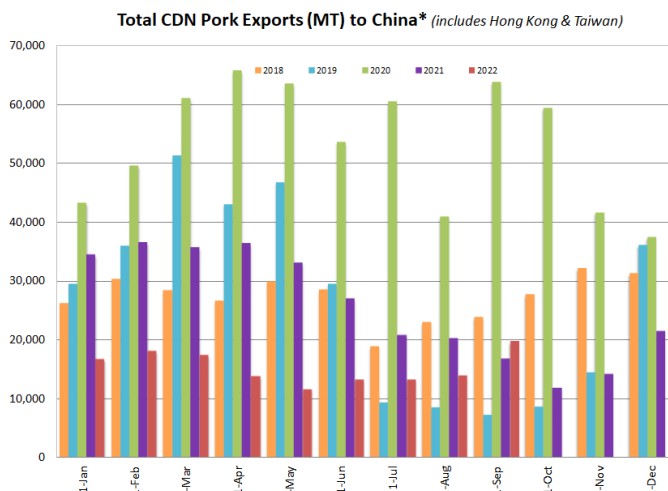
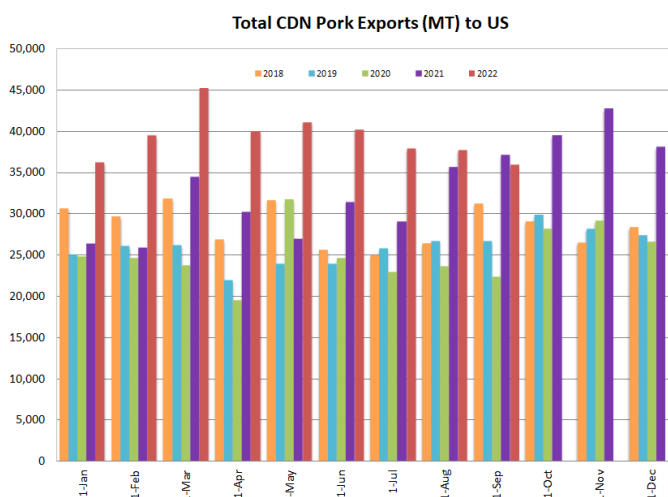
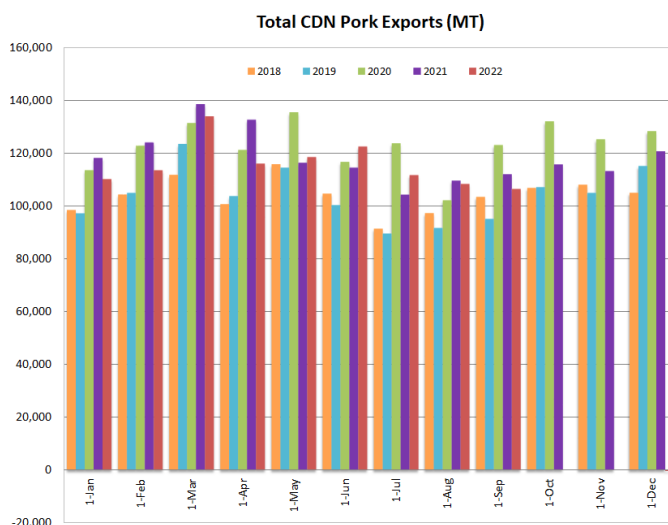
Pork export categories varied from last reported, with swine carcasses & cuts, bellies and pig fat/lard recorded higher during September, while remaining categories such as hams, shoulders and edible offal fell from previously reported levels.

Total swine carcass and cut exports rose +4.0% for September to 73.0 thousand MT and was up +4.2% on the year. Overall values were up +0.4% on the month, however carcass & cut values are -3.1% under last year. For perspective, September's value per unit of \$1.71/lb declined -3.5% from a month earlier and is -7.0% under last year.

Monthly pork shoulder exports dropped -52.6% to 52.7 MT, coming down from a 12-month high of 111.2 MT recorded in August and brings the latest tally -54.1% under last year. Pork shoulder export values fell -1.1% for September to \$4.01/lb, which is up +4.6% from a year ago.

Belly exports rose +9.6% to 1.8 thousand MT however continue below last year, with current exports -29.3% under September of last year. Export belly values at \$3.61/lb are up +2.5% from August and +24.3% over belly values last year.

Total ham exports fell -22.9% for September at 14.0 thousand MT, bringing them -39.9% under last year. For perspective, export ham values at \$1.80/lb were up +7.3% from August and +32.9% over year ago levels. Notably, the percentage of Canadian pork production which was exported to the United States during the month of September at 17.2% was down 6.0% from August's 23.2% ratio, and very near the 16.9% calculated for September of last year.



Weekly Hog Price Recap

Cash hogs were mixed with national cash primarily higher however was recorded lower late in the week, while regional cash was lower overall with mid-week rises not enough to offset declines remaining days. CME cash improved early on however fell the latter-half of the week. Wholesale pork primal values fell with loins especially lower while other primals were generally down 2-3% on the week. US pork cutout fell \$2.87/cwt from the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	28-Oct-22	Head	21-Oct-22		
ISM pm		\$97.26		\$97.49	-\$0.22	-0.2%
WCB pm		\$97.22		\$97.38	-\$0.16	-0.2%
Nat pm		\$93.43		\$92.25	\$1.18	1.3%
CME Index*		\$94.37		\$93.51	\$0.86	0.9%
Sows, 300-449lbs	9,206	\$65.52	12,487	\$66.59	-\$1.07	-1.6%
Sows, 500+ lbs	9,447	\$72.17	11,914	\$73.21	-\$1.04	-1.4%
BoC Exch		1.3617		1.3741	-0.0124	-0.9%

* Represents Friday-Thursday average

Canadian hog markets were mixed to generally lower from the previous week. Hylife fell \$1.65/hog while the ML Sig 4 was down \$1.20/hog, the OlyW 21 declined \$0.90/hog and hog values out of Ontario slipped \$0.35/hog. BP/TC climbed \$1.05/hog, while hog values out of Quebec were up \$1.55/hog and the OlyW 20 rose \$2.50/hog. In the US, Tyson was up \$2.10/hog while JM edged \$0.35/hog lower than a week earlier.

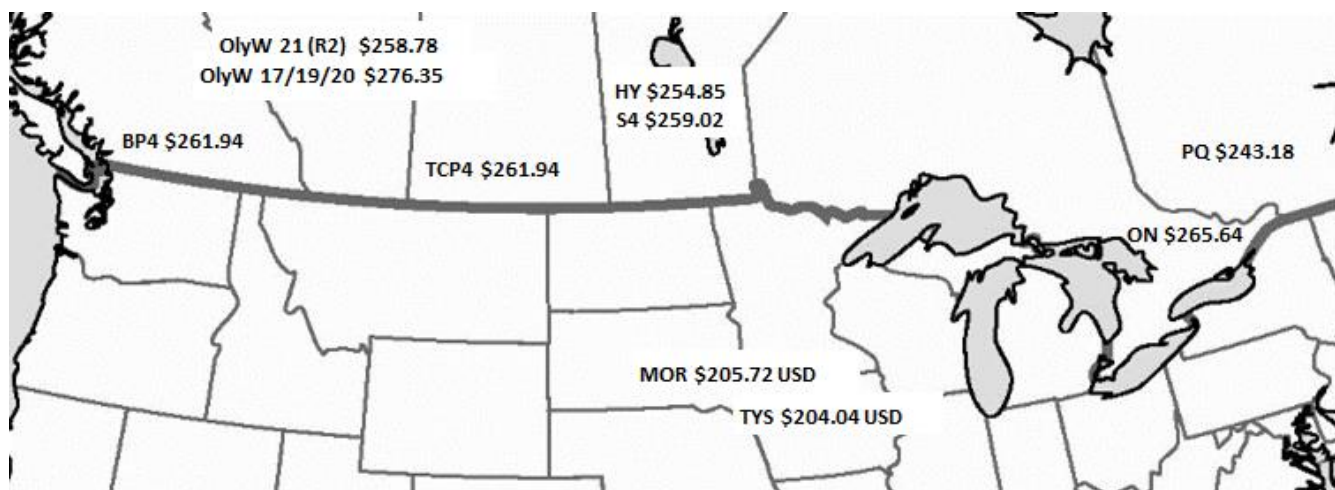
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 28-Oct-22	Difference to OlyW21
OlyW 2021 (R2)**	\$219.92		\$254.35		\$270.17		\$258.78	
OlyW 17/19/20*	\$216.75	-\$3.17	\$277.11	\$22.76	\$295.75	\$25.58	\$276.35	\$17.58
ML Sig 4	\$216.73	-\$3.19	\$258.88	\$4.53	\$275.16	\$4.99	\$259.02	\$0.24
BP4/TCP4	\$216.96	-\$2.97	\$259.06	\$4.71	\$280.06	\$9.89	\$261.94	\$3.16
Hylife	\$219.65	-\$0.28	\$256.10	\$1.75	\$267.80	-\$2.37	\$254.85	-\$3.93
Ontario***	\$219.15	-\$0.77	\$269.72	\$15.38	\$285.55	\$15.38	\$265.64	\$6.86
Québec	\$223.50	\$3.58	\$241.95	-\$12.39	\$246.97	-\$23.20	\$243.18	-\$15.59
Tyson (USD)	\$168.33	-\$51.59	\$225.47	-\$28.87	\$231.85	-\$38.32	\$204.04	-\$54.73
John Morrell (USD)	\$161.97	-\$57.96	\$223.21	-\$31.13	\$226.50	-\$43.67	\$205.72	-\$53.06

* 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, supported primarily by a reduction in feed costs which offset declines in hog values. Canadian farrow-to-finish feed costs dropped \$3.30/hog, while those in the monitored US region were generally stable to modestly higher than the previous week.

Hog margins out the OlyW 20 strengthened \$5.75 to more than \$35.50/hog profits while those out of Ontario were up \$3 to \$25.25/hog profits. ML Sig 4 margins improved \$2 to \$22/hog profits, while Hylife strengthened \$1.65 to \$17.75/hog profits. The OlyW 21 margins improved \$2.40 to \$18/hog profits while those out of Quebec strengthened into positive margins, up \$4.85 to \$2.50/hog profits. In the US, Tyson margins were up \$2 to \$28.65/hog profits while JM weakened \$0.40 from the previous week to near \$32/hog profits.

Regional MARGINS, \$/hog						
Packer/Region	28-Oct-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$276.35	\$177.25	\$41.45	\$22.05	\$240.75	\$35.60
OlyW 21 (R2)/Alberta	\$258.78	\$177.25	\$41.45	\$22.05	\$240.75	\$18.03
ML Sig 4/Manitoba	\$259.02	\$174.05	\$41.54	\$21.55	\$237.14	\$21.88
Hylife/Manitoba	\$254.85	\$174.05	\$41.54	\$21.55	\$237.14	\$17.71
Ontario	\$265.64	\$171.98	\$42.71	\$25.76	\$240.45	\$25.19
Québec	\$243.18	\$174.55	\$42.50	\$23.65	\$240.70	\$2.48
Tyson (USD)/Iowa	\$204.04	\$126.11	\$30.70	\$18.57	\$175.38	\$28.66
John Morrell (USD)/ND	\$205.72	\$124.38	\$30.70	\$18.57	\$173.65	\$32.07

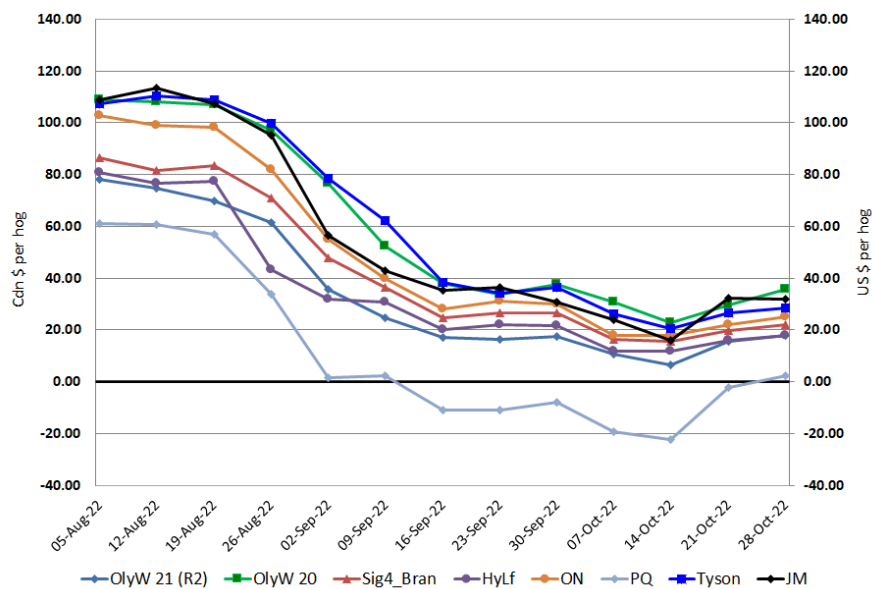
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$28.66 USD x 1.3614 = \$39.02 CAD
 Morrell: \$32.07 USD x 1.3614 = \$43.66 CAD

Canadian & US Margins Last 13 weeks



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