



# Weekly Regional HOG PRICE Report



## Things to Consider....

November 22, 2022

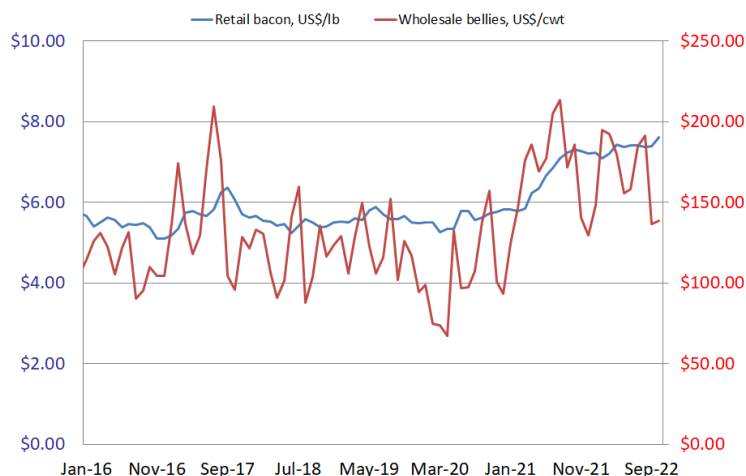
US retail bacon prices recorded a new historical high, rising +3.0% on the month to \$7.61/lb. Compared to last year, the latest prices are +4.0% over year-ago levels with October of last year also recording a new historical high at the time of reporting. Current retail bacon prices are \$1.38 over the 3-year average for the month of October. Wholesale belly values were up +1.6% to \$138.55/cwt during October, with current values -25.5% or \$47 under this time last year. Current values are \$4.25 under the 3-year average. Notably, wholesale belly values recorded last year were among the highest historically.

All retail chops were up +2.1% to \$4.27/lb for October, also a new historical high, bringing the latest retail cut +3.0% over last year. Current retail price levels are 60 cents over the 3-year average for the month of October. Wholesale loins values fell -6.8% to \$91.43/cwt from the previous month, and are -10.4% under last year. The latest wholesale loin values are \$0.84 over the 3-year average.

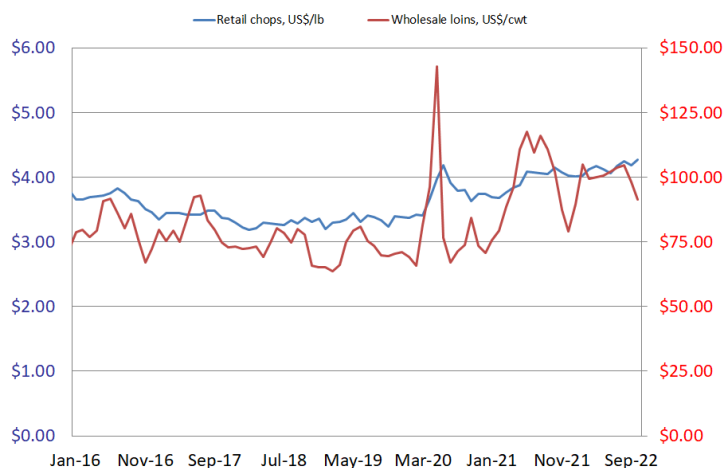
All retail hams increased +2.3% to \$4.44/lb for October, surpassing the previous record reached the month previous, bringing hams +13.2% over year ago levels. Current retail price levels are 83 cents over the 3-year average for the month of October. Wholesale ham values averaged \$108.40/cwt which was up +3.6% from September, and current values are nearly \$36 higher or +49.4% over year ago levels. For comparison, wholesale picnics averaged \$81.27/cwt, up +0.4% from September and +12.2% over last year. Compared to their respective 3-year averages, current wholesale ham values are \$31 higher while picnics are up nearly \$15.

The category reporting other retail pork prices fell -1.9% lower to \$3.64/lb, coming down from the record high recorded a month earlier, bringing other pork +2.2% over last year. Current levels are 55 cents over the 3-year average for the month of October.

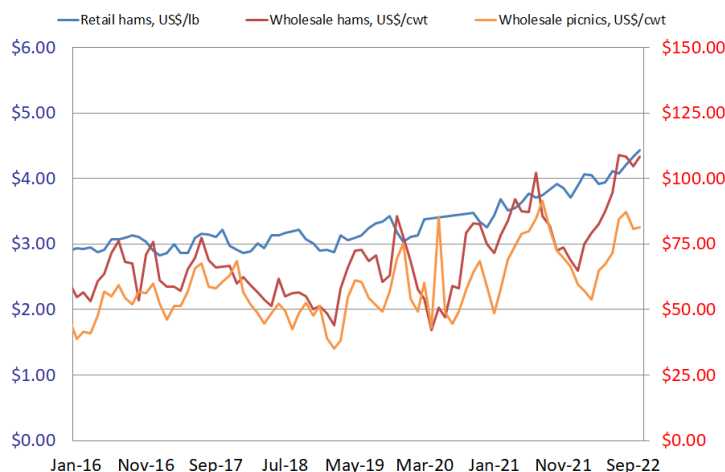
### Retail Bacon VS Wholesale Bellies



### Retail Chops VS Wholesale Loins



### Retail Hams VS Wholesale Hams/Picnics



# Weekly Hog Price Recap

Despite improving much of the week, cash hogs averaged under a week earlier as late-week declines weighed on overall prices and national cash faced additional pressure at the start of the week. CME cash moved more moderately in comparison, however declined near daily. Wholesale pork primal values fell throughout the majority of the week, with most primals ending lower. US pork cutout was \$1.76/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	18-Nov-22	Head	11-Nov-22		
ISM pm		\$85.96		\$87.22	-\$1.26	-1.4%
WCB pm		\$85.73		\$86.96	-\$1.23	-1.4%
Nat pm		\$84.17		\$86.05	-\$1.88	-2.2%
CME Index*		\$88.26		\$89.64	-\$1.38	-1.5%
Sows, 300-449lbs	4,591	\$61.01	10,515	\$61.24	-\$0.23	-0.4%
Sows, 500+ lbs	4,697	\$66.63	10,049	\$68.38	-\$1.75	-2.6%
BoC Exch		1.3325		1.3448	-0.0123	-0.9%

\* Represents Friday-Thursday average

Monitored hog markets generally declined \$6-\$10 per hog on the week. Hog values out of Quebec, the OlyW 20 and BP/TC each fell around \$10/hog, while the OlyW 21 was \$7.50 lower. The ML Sig 4 & hog values out of Hylife were each down near \$6/hog while those out of Ontario slipped almost \$5.50/hog. In the US, Tyson hog values were \$4.50/hog lower while JM was \$2.50/hog under the previous week.

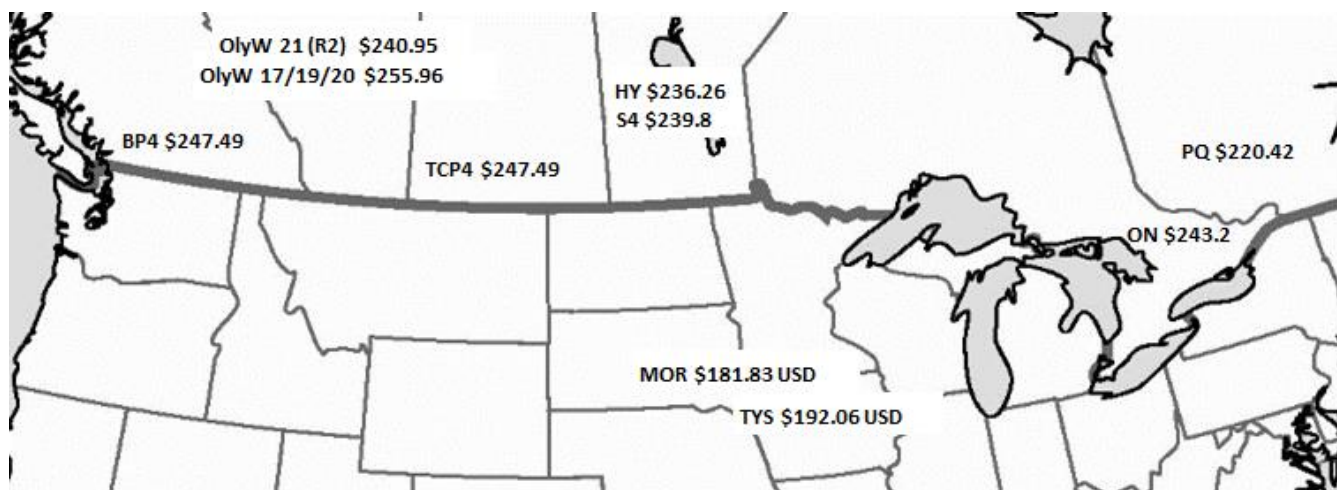
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 18-Nov-22	Difference to OlyW21
OlyW 2021 (R2)**	\$221.12		\$253.90		\$258.74		\$240.95	
OlyW 17/19/20*	\$218.17	-\$2.94	\$276.33	\$22.44	\$280.63	\$21.89	\$255.96	\$15.01
ML Sig 4	\$218.05	-\$3.07	\$258.12	\$4.23	\$262.31	\$3.57	\$239.80	-\$1.15
BP4/TCP4	\$218.44	-\$2.67	\$258.81	\$4.92	\$269.05	\$10.31	\$247.49	\$6.54
Hylife	\$220.78	-\$0.33	\$255.16	\$1.27	\$255.29	-\$3.44	\$236.26	-\$4.69
Ontario***	\$220.59	-\$0.53	\$268.50	\$14.61	\$269.03	\$10.29	\$243.20	\$2.25
Québec	\$224.30	\$3.18	\$241.19	-\$12.71	\$234.95	-\$23.79	\$220.42	-\$20.53
Tyson (USD)	\$169.68	-\$51.44	\$223.77	-\$30.12	\$214.66	-\$44.07	\$192.06	-\$48.88
John Morrell (USD)	\$163.27	-\$57.85	\$220.76	-\$33.14	\$206.31	-\$52.43	\$181.83	-\$59.12

\* 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 lower in hog and pork values however were again partially offset by another decline in feed costs. Canadian farrow-to-finish feed costs dropped \$2.30/hog, while those in the monitored US region slipped \$0.70/hog from a week earlier.

Hog margins out the OlyW 20 weakened \$7.75 to more than \$21/hog profits. ML Sig 4 margins fell shy of \$4 while Ontario hog margins weakened \$3 with each recording nearly \$9/hog profits. The OlyW 21 weakened \$5.25 to \$6.25/hog profits and Hylife margins were down nearly \$4 to \$5.25/hog profits, while Quebec weakened \$7.75 to \$14.25/hog losses. In the US, Tyson margins were down \$4 to \$17.25/hog profits while JM declined near \$2 to \$8.75/hog profits for the week.

Regional MARGINS, \$/hog						
Packer/Region	18-Nov-22	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$255.96	\$171.17	\$41.45	\$22.05	\$234.67	\$21.29
OlyW 21 (R2)/Alberta	\$240.95	\$171.17	\$41.45	\$22.05	\$234.67	\$6.28
ML Sig 4/Manitoba	\$239.80	\$167.97	\$41.54	\$21.55	\$231.06	\$8.74
Hylife/Manitoba	\$236.26	\$167.97	\$41.54	\$21.55	\$231.06	\$5.20
Ontario	\$243.20	\$165.90	\$42.71	\$25.76	\$234.37	\$8.83
Québec	\$220.42	\$168.47	\$42.50	\$23.65	\$234.62	-\$14.20
Tyson (USD)/Iowa	\$192.06	\$125.59	\$30.70	\$18.57	\$174.86	\$17.20
John Morrell (USD)/ND	\$181.83	\$123.86	\$30.70	\$18.57	\$173.13	\$8.70

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

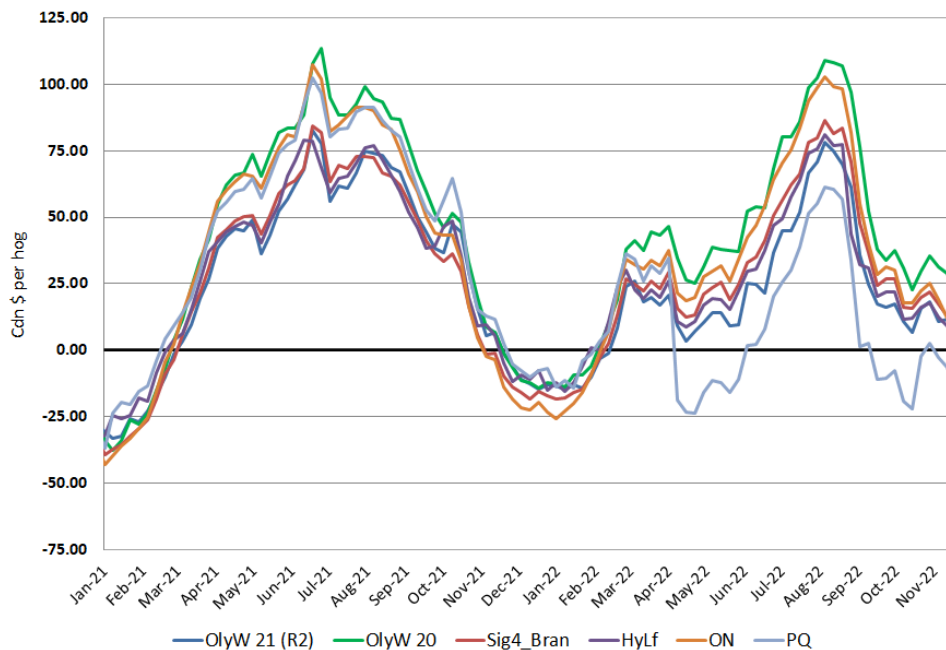
\* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: \$17.20 USD x 1.3452 = \$23.14 CAD

Morrell: \$8.70 USD x 1.3452 = \$11.70 CAD

## Canadian Margins 2021-2022



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