



# Weekly Regional HOG PRICE Report



## Things to Consider....

December 20, 2022

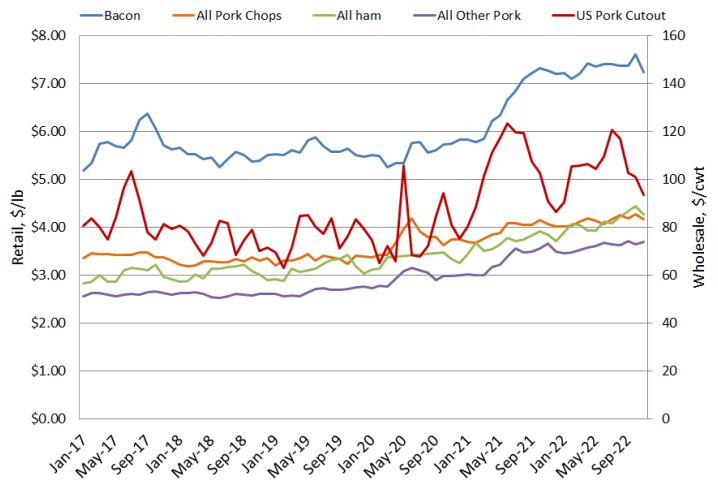
US retail pork prices for the month of November generally declined, with only other pork finishing the month higher. Bacon prices fell -4.8% to \$7.24/lb for the month and is -0.3% under last year, while chops were -2.6% to \$4.16/lb which is +2.2% over the same month in 2021. Total hams fell -3.6% from a month earlier to \$4.28/lb and is up +11.0% compared year-ago levels, while Other pork was climbed +1.4% in the latest data to \$3.69/lb which is +0.7% over year-ago levels.

US pork cutout at \$93.43/cwt fell -7.6% from October levels as nearly all primals were recorded lower (only picnics recorded a modest improvement), and the monthly pork cutout average was +2.7% over year-ago levels. Wholesale pork primals such as hams, picnics and butts are above year-ago levels, while primals such as bellies, ribs and loins continue below last year.

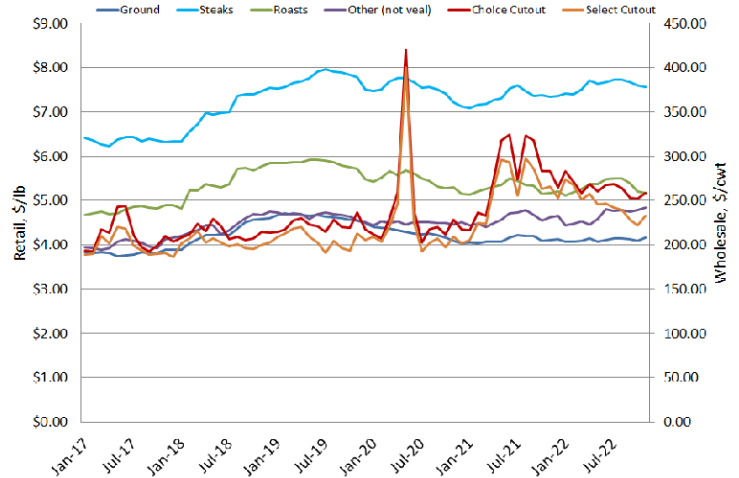
Monthly US retail beef prices declined overall as did US retail broiler price which slipped -0.6% to \$2.52/lb for November, bringing them +14.1% over year-ago prices, while wholesale broilers dropped -13.7% on the month to \$0.90/lb which is +5.2% over 2021.

Since the decline in pork and other meats during the month of November, lean hog futures have continued with the extreme volatility illustrated in the April graph. Good news is that recently the hog futures have recovered to near contract highs and are anticipating higher cash hog prices into the first quarter of 2023.

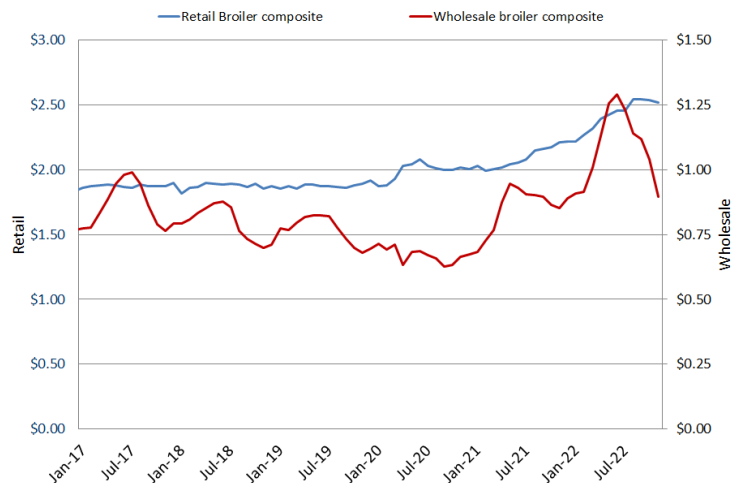
Monthly US Retail & Wholesale Pork



Monthly US Retail Beef



Retail Broilers VS Wholesale Broilers, \$/lb



April 2023 Lean Hogs

Lean Hogs (HEJ23) CME O95.150 H95.750 L94.475 C95.600 Δ0.325 (0.34%)



# Weekly Hog Price Recap

Regional and national cash hogs declined throughout much of the week with some mostly moderate improvements recorded mid-week. Though CME cash increased overall, lower moves recorded at the start and end of the week weighed on the weekly average. Most wholesale pork primals averaged above the previous week, however lower ham and loin values offset the majority of the improvements. US pork cutout finished \$0.12/cwt over the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	16-Dec-22	Head	09-Dec-22		
ISM pm		\$82.45		\$83.57	-\$1.12	-1.3%
WCB pm		\$82.09		\$83.53	-\$1.44	-1.7%
Nat pm		\$81.18		\$82.53	-\$1.35	-1.6%
CME Index*		\$81.64		\$82.59	-\$0.95	-1.2%
Sows, 300-449lbs	11,414	\$47.82	12,215	\$51.33	-\$3.50	-6.8%
Sows, 500+ lbs	11,933	\$53.98	12,256	\$57.56	-\$3.58	-6.2%
BoC Exch		1.3619		1.3607	0.0012	0.1%

\* Represents Friday-Thursday average

Market hog values continue to erode on lower hog pricing, with monitored markets generally \$1-\$2 per hog lower on the week. Ontario hog values fell \$2.20/hog while the OlyW 20 declined \$2/hog, Quebec was down \$1.60/hog and the ML Sig 4 fell \$1.25/hog. Hylife declined \$0.80/hog, while BP/TC slipped \$0.50/hog and the OlyW 21 edged \$0.10/hog higher. In the US, Tyson hog values fell \$1.55/hog while JM dropped \$3/hog from the previous week.

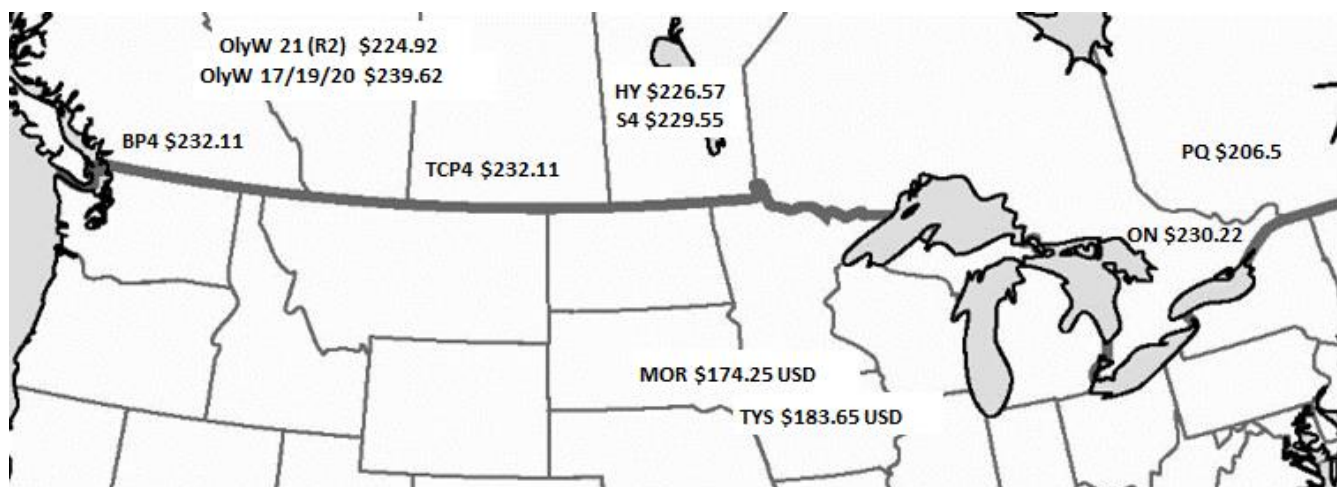
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2022 YTD	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 16-Dec-22	Difference to OlyW21
OlyW 2021 (R2)**	\$222.14		\$251.87		\$246.15		\$224.92	
OlyW 17/19/20*	\$219.82	-\$2.33	\$273.76	\$21.89	\$263.22	\$17.07	\$239.62	\$14.70
ML Sig 4	\$219.58	-\$2.57	\$256.04	\$4.17	\$248.80	\$2.65	\$229.55	\$4.63
BP4/TCP4	\$220.03	-\$2.12	\$256.99	\$5.12	\$252.65	\$6.50	\$232.11	\$7.19
Hylife	\$221.79	-\$0.35	\$253.00	\$1.13	\$244.81	-\$1.34	\$226.57	\$1.65
Ontario***	\$222.35	\$0.20	\$265.72	\$13.85	\$253.04	\$6.89	\$230.22	\$5.30
Québec	\$224.45	\$2.31	\$238.76	-\$13.10	\$225.62	-\$20.53	\$206.50	-\$18.43
Tyson (USD)	\$171.70	-\$50.45	\$220.79	-\$31.08	\$197.50	-\$48.65	\$183.65	-\$41.28
John Morrell (USD)	\$165.45	-\$56.70	\$217.44	-\$34.43	\$191.25	-\$54.90	\$174.25	-\$50.67

\* 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 were significantly pressured by lower hog and pork values, in addition to another jump in feed costs. Canadian farrow-to-finish feed costs surged near \$9/hog, while those in the monitored US region rose near \$2/hog from the previous week.

Margins out the OlyW 20 weakened to \$13/hog losses, while those out of the ML Sig 4 fell to \$14.50/losses and Hylife weakened to \$17.50/hog losses. Ontario hog margins were calculated at \$22/hog losses, while the OlyW 21 fell to \$27.60/hog losses and Quebec weakened to \$46/hog losses. In the US, Tyson margins fell \$3.50 to \$5/hog profits while JM weakened shy of \$5 to \$2.75/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	16-Dec-22 Hog Price	Farrow to Finish Feed*	Variable	Fixed	Total COP	Weekly Margin
OlyW 20/Alberta	\$239.62	\$189.04	\$41.45	\$22.05	\$252.54	-\$12.92
OlyW 21 (R2)/Alberta	\$224.92	\$189.04	\$41.45	\$22.05	\$252.54	-\$27.62
ML Sig 4/Manitoba	\$229.55	\$177.84	\$41.54	\$21.55	\$240.93	-\$11.38
Hylife/Manitoba	\$226.57	\$177.84	\$41.54	\$21.55	\$240.93	-\$14.36
Ontario	\$230.22	\$178.77	\$42.71	\$25.76	\$247.24	-\$17.02
Québec	\$206.50	\$181.34	\$42.50	\$23.65	\$247.49	-\$40.99
Tyson (USD)/Iowa	\$183.65	\$129.46	\$30.70	\$18.57	\$178.73	\$4.92
John Morrell (USD)/ND	\$174.25	\$127.73	\$30.70	\$18.57	\$177.00	-\$2.75

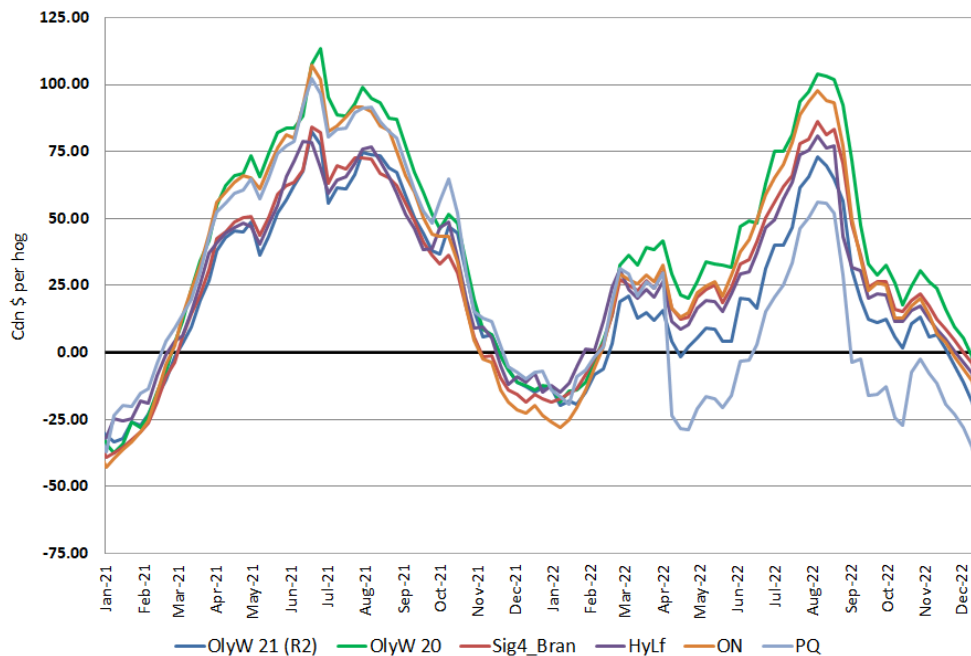
\* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$4.92 USD x 1.3621 = \$6.70 CAD  
 Morrell: -\$2.75 USD x 1.3621 = -\$3.75 CAD

## Canadian Margins 2021-2022



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