



Weekly Regional HOG PRICE Report



Things to Consider....

January 3, 2023

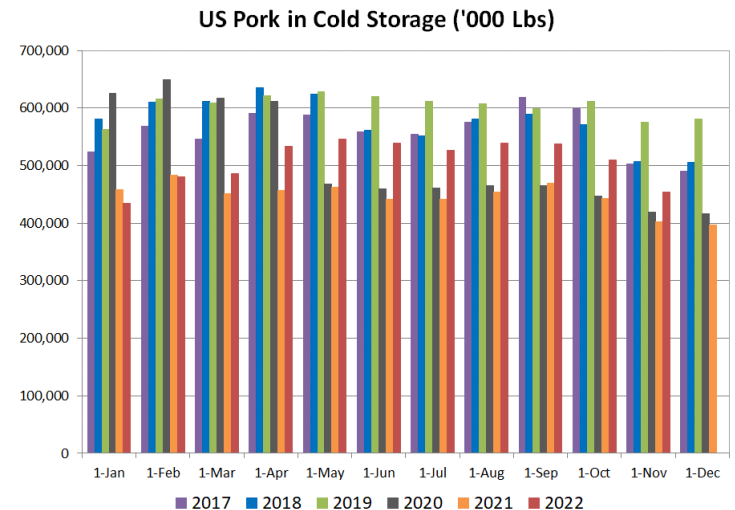
The latest US Cold Storage numbers released December 22nd reported pork stocks at 454.2 million pounds for November, which was down 55.5m pounds from October however 52.0m pounds over year-ago levels.

The lower monthly pork stocks can be attributed primarily to the seasonal reduction in ham and picnic supplies, however other categories such as variety meats, other and unclassified pork recorded decreased stocks. Total hams in cold storage dropped 66.3m pounds on the month, bringing them 21.7m pounds under a year earlier. Picnics in cold storage declined 1.7m pounds into November, bringing them 1.1m under last year. Some pork categories did record notable increases for November. Bellies in cold storage were up 14.2m pounds for November to record high seasonal volume, as was similarly reported in 2019 for this time, with current belly stocks 29.1m pounds over a year earlier. Trimmings rose 6.7m pounds on the month, and are 4.1m pounds under last year's high volume.

The quarterly Hogs and Pigs report released Dec 23rd reflected a lower inventory overall from a year-ago and generally fell in-line with market analysts' expectations. All Hogs and Pigs fell 566 thousand head from previously reported in September, with the current inventory 1.3 million head under last year.

Market hogs declined 567 thousand head or -0.8% from the previous quarter, while the breeding herd edged 2 thousand head higher from the September report. Notably, the increased inventory of animals kept for breeding is the first year-over-year rise recorded since the front-half of 2020.

US Pork in Cold Storage					
('000 lbs)	Nov-22	Oct-22	Nov-21	M/M	Y/Y
Picnics	5,005	6,847	6,080	-26.9%	-17.7%
Hams	55,111	121,624	76,788	-54.7%	-28.2%
Bellies	54,359	40,247	25,224	35.1%	115.5%
Loins	39,957	39,389	38,522	1.4%	3.7%
Ribs	112,109	110,053	75,597	1.9%	48.3%
Butts	21,839	20,522	17,113	6.4%	27.6%
Trimmings	44,916	38,417	48,979	16.9%	-8.3%
Other	50,944	54,943	50,533	-7.3%	0.8%
Variety	22,951	25,610	21,287	-10.4%	7.8%
Unclassified	47,009	52,017	42,066	-9.6%	11.8%
Total Pork	454,200	509,669	402,189	-10.9%	12.9%



Quarterly H&P - Dec 2022		2021	2022	%22/21	Est's	%Act-Est
All Hogs and Pigs		74,446	73,119	98.2%	98.3%	-0.1%
Kept for Breeding		6,125	6,154	100.5%	99.9%	0.6%
Market Hogs		68,321	66,966	98.0%	98.2%	-0.2%
Mkt hog Wt. Groups						
Under 50 pounds		21,594	21,153	98.0%	98.7%	-0.7%
50-119 pounds		19,005	18,620	98.0%	98.8%	-0.8%
120-179 pounds		14,374	14,095	98.1%	98.4%	-0.3%
180 pounds and over		13,348	13,098	98.1%	95.5%	2.6%
Sep-Nov Pig Crop		34,123	33,691	98.7%	97.9%	0.8%
Sep-Nov Pigs per Litter		11.19	11.22	100.3%	100.0%	0.3%
Sows Farrowing						
Sep-Nov		3,049	3,004	98.5%	97.9%	0.6%
Dec-Feb intentions		2,919	2,947	101.0%	99.7%	1.3%
Mar-May intentions		2,967	2,981	100.5%	100.2%	0.3%

Weekly Hog Price Recap

Regional and national cash hogs declined throughout much of the holiday-shortened week, while CME cash was mixed with mid-week rises offsetting declines other days. Most wholesale pork primal values improved on the week, excluding picnics which fell more than 5% in value. US pork cutout ended \$2.51/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	30-Dec-22	Head	23-Dec-22		
ISM pm		\$75.49		\$80.13	-\$4.65	-5.8%
WCB pm		\$75.40		\$80.13	-\$4.73	-5.9%
Nat pm		\$76.02		\$79.60	-\$3.58	-4.5%
CME Index*		\$80.06		\$80.14	-\$0.08	-0.1%
Sows, 300-449lbs	10,671	\$40.10	9,977	\$44.70	-\$4.60	-10.3%
Sows, 500+ lbs	8,217	\$46.83	9,473	\$51.10	-\$4.27	-8.4%
BoC Exch		1.3555		1.3629	-0.0074	-0.5%

* Represents Friday-Thursday average

Market hog values were lower overall with those out of Quebec and the OlyW 20 down the most, each \$3.50/hog lower on the week. The OlyW 21 was down shy of \$2/hog, while BP/TC declined \$1.55/hog. The ML Sig 4 and hog values out of Ontario were each down between \$0.75-\$1/hog while Hylife improved \$3/hog. In the US, Tyson hog values fell \$6.75/hog while JM dropped \$9.85/hog from the previous week.

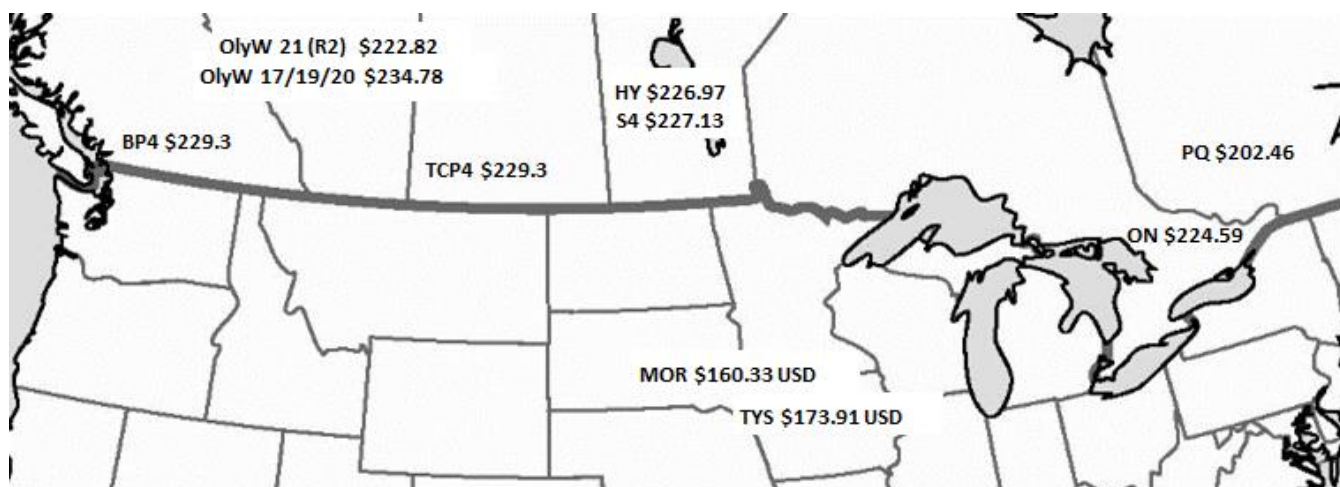
Regional Pricing, \$/hog							
Packer/Region	3 Year	Difference to OlyW21	2022 AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 30-Dec-22 Difference to OlyW21
OlyW 2021 (R2)**	\$222.61		\$250.79		\$240.93		\$222.82
OlyW 17/19/20*	\$220.60	-\$2.02	\$272.33	\$21.54	\$257.06	\$16.13	\$234.78 \$11.96
ML Sig 4	\$220.32	-\$2.29	\$254.94	\$4.16	\$243.19	\$2.26	\$227.13 \$4.31
BP4/TCP4	\$220.79	-\$1.82	\$255.95	\$5.16	\$247.55	\$6.62	\$229.30 \$6.48
Hylife	\$222.27	-\$0.35	\$251.89	\$1.11	\$239.63	-\$1.30	\$226.97 \$4.15
Ontario***	\$223.14	\$0.53	\$264.15	\$13.36	\$245.92	\$4.99	\$224.59 \$1.77
Québec	\$224.48	\$1.86	\$237.43	-\$13.35	\$221.41	-\$19.52	\$202.46 -\$20.36
Tyson (USD)	\$172.60	-\$50.02	\$219.11	-\$31.67	\$192.58	-\$48.35	\$173.91 -\$48.91
John Morrell (USD)	\$166.27	-\$56.34	\$215.43	-\$35.36	\$185.00	-\$55.93	\$160.33 -\$62.49

* 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 pressured by lower hog values coupled with another rise in feed costs. Canadian farrow-to-finish feed costs jumped \$4/hog, while those in the monitored US region were up \$3.65/hog from the previous week.

ML Sig 4 margins weakened \$5 to \$22/hog losses, while Hylife declined more than \$1 to \$22.25/hog losses and the OlyW 20 weakened \$7.50 to \$22.85/hog losses. Ontario hog margins fell \$4.80 to \$32.75/hog losses, while the OlyW 21 declined \$6 to \$34.80/hog losses and Quebec weakened \$7.50 to more than \$55/hog losses. In the US, Tyson dropped nearly \$10.50 to \$9.40/hog losses while JM weakened \$13.50 to \$21.25/hog losses for the week.

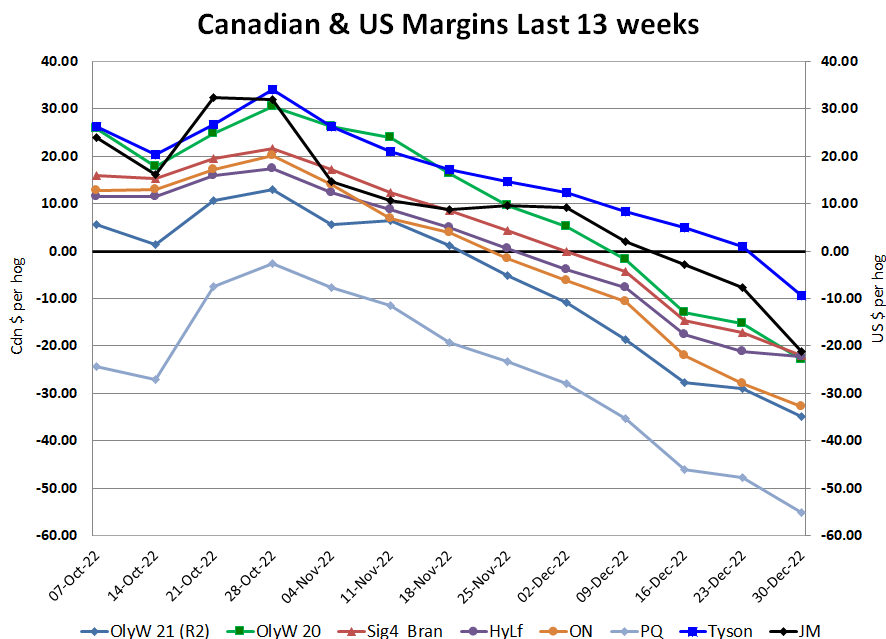
Regional MARGINS, \$/hog						
Packer/Region	30-Dec-22	Farrow to Finish			Total	Weekly
	Hog Price	Feed*	Variable	Fixed	COP	Margin
OlyW 20/Alberta	\$234.78	\$194.13	\$41.45	\$22.05	\$257.63	-\$22.85
OlyW 21 (R2)/Alberta	\$222.82	\$194.13	\$41.45	\$22.05	\$257.63	-\$34.81
ML Sig 4/Manitoba	\$227.13	\$182.93	\$41.54	\$21.55	\$246.02	-\$18.89
Hylife/Manitoba	\$226.97	\$182.93	\$41.54	\$21.55	\$246.02	-\$19.05
Ontario	\$224.59	\$183.86	\$42.71	\$25.76	\$252.33	-\$27.74
Québec	\$202.46	\$186.43	\$42.50	\$23.65	\$252.58	-\$50.12
Tyson (USD)/Iowa	\$173.91	\$134.06	\$30.70	\$18.57	\$183.33	-\$9.42
John Morrell (USD)/ND	\$160.33	\$132.33	\$30.70	\$18.57	\$181.60	-\$21.27

* 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: $-\$9.42 \text{ USD} \times 1.3658 = -\12.87 CAD
 Morrell: $-\$21.27 \text{ USD} \times 1.3658 = -\29.05 CAD



Disclaimer: Commodity Professionals Inc. presents this report as a snapshot of the market using current information available at the time of the report. These findings are for informational purposes only and should not be reproduced or transmitted by any means without permission. Commodity Professionals Inc. does not guarantee, and accepts no legal liability arising from or connected to, the accuracy, reliability, or completeness of any material contained in the publication.