



Weekly Regional HOG PRICE Report



Things to Consider....

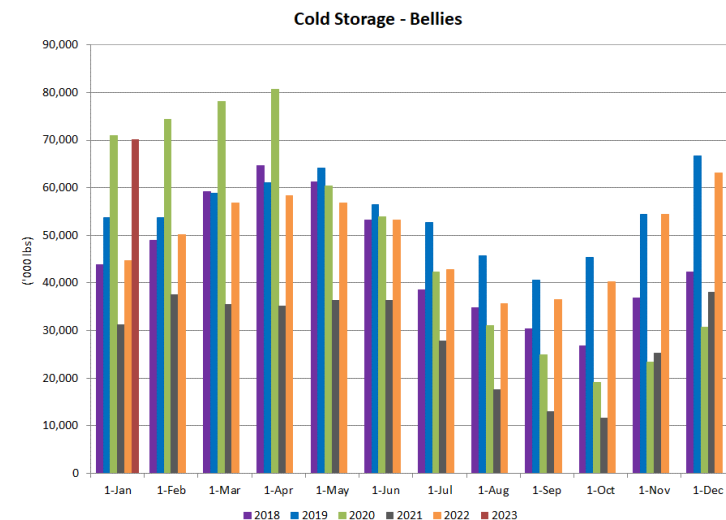
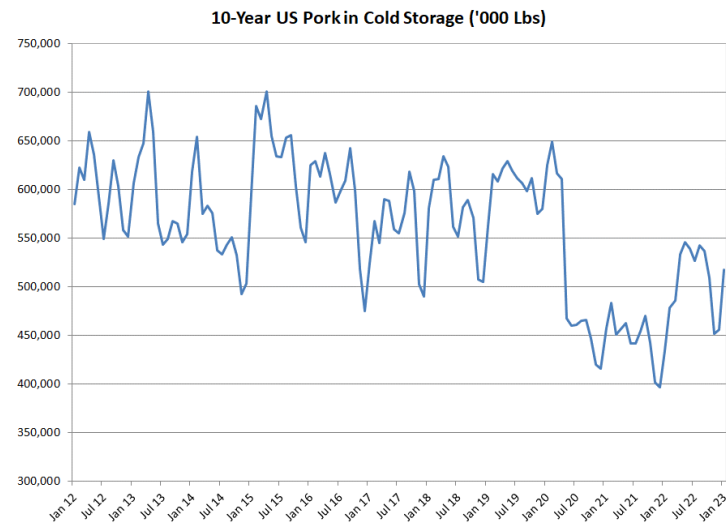
February 28, 2023

The latest US Cold Storage numbers reported pork stocks at 517.7 million pounds for January, which was up 61.3m pounds from December and is 83.3m pounds over low year-ago levels. Monthly cold storage supplies recorded increased amounts of most pork primals, only variety meats and trimmings slipped modestly in January, however compared to the reduced supplies recorded for this time last year all primals were above year-ago levels.

Total hams recorded the largest increase from previously reported (though considered seasonal), up 24.9m pounds for January largely attributed to a surge in the bone-in ham variety and brings hams overall 3.6m pounds over supplies recorded a year earlier. Butts in cold storage were up 7.8m pounds on the month and 9.3m pounds over last year, while bellies were up 7.1m pounds from last reported and are 25.4m pounds over January 2022 and nearly as high as supplies recorded in 2020. Total loins in cold storage increased 7.6m pounds from December levels, with the bone-in variety accounting for the majority of the rise, bringing current loin stocks overall 6.3m pounds over a year earlier.

Other pork categories on the report recorded more moderate rises in stocks such as bone-in picnics, spare-ribs and other pork which were generally up with 3-6 million pound increases, and unclassified pork which climbed 1.7m pounds on the month. Trimmings slipped 199 thousand pounds bringing supplies 4.0m over a year earlier, while variety meats declined 805 thousand pounds in January with current stocks a modest 176 thousand pounds over 2022.

US Pork in Cold Storage					
('000 lbs)	Jan-23	Dec-22	Jan-22	M/M	Y/Y
Picnics	8,992	5,734	5,798	56.8%	55.1%
Hams	78,340	53,414	74,775	46.7%	4.8%
Bellies	70,134	63,015	44,707	11.3%	56.9%
Loins	43,932	36,325	37,636	20.9%	16.7%
Ribs	116,688	112,495	96,114	3.7%	21.4%
Butts	27,994	20,226	18,664	38.4%	50.0%
Trimmings	52,876	53,075	48,860	-0.4%	8.2%
Other	51,859	46,050	43,822	12.6%	18.3%
Variety	20,796	21,601	20,620	-3.7%	0.9%
Unclassified	46,116	44,444	43,419	3.8%	6.2%
Total Pork	517,727	456,379	434,415	13.4%	19.2%



Weekly Hog Price Recap

Cash hogs varied however generally recorded improvements in the front-half of the week and declines the latter half, with national cash recorded more modest down-days. CME cash improved near daily with the strongest rise recorded mid-week. Most wholesale pork primals recorded improved values, supporting US pork cutout \$3.09/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	24-Feb-23	Head	17-Feb-23		
ISM pm		\$78.63		\$78.35	\$0.28	0.4%
WCB pm		\$78.48		\$78.15	\$0.33	0.4%
Nat pm		\$77.82		\$76.45	\$1.37	1.8%
CME Index*		\$77.18		\$75.48	\$1.70	2.3%
Sows, 300-449lbs	13,911	\$61.03	14,659	\$58.07	\$2.96	5.1%
Sows, 500+ lbs	11,218	\$67.13	11,831	\$62.56	\$4.56	7.3%
BoC Exch		1.3557		1.3405	0.0152	1.1%

* Represents Friday-Thursday average

Monitored hog markets were generally \$3-\$9 per hog higher on the week. Hog values out of Quebec were up the most, receiving support from higher cutout values and was more than \$9/hog higher. Hog values out of Hylife, the ML Sig 4 and Ontario were each up between \$7.25-\$7.75/hog, while the OlyW 20 & 21 were up around \$4/hog and BP/TC climbed \$3/hog. In the US, Tyson hogs rose \$5.25/hog while JM was up a more modest \$0.70/hog from the previous week.

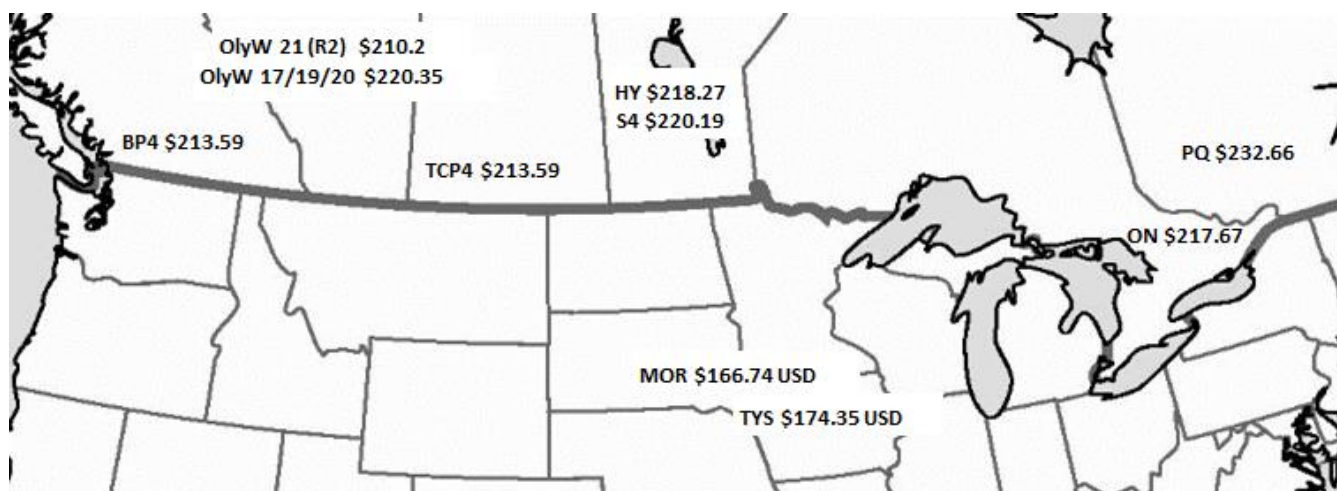
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 24-Feb-23	Difference to OlyW21
OlyW 2021 (R2)**	\$224.16		\$207.80		\$215.84		\$210.20	
OlyW 17/19/20*	\$222.54	-\$1.62	\$216.30	\$8.50	\$226.73	\$10.89	\$220.35	\$10.15
ML Sig 4	\$222.56	-\$1.61	\$211.81	\$4.01	\$219.54	\$3.70	\$220.19	\$9.99
BP4/TCP4	\$223.10	-\$1.07	\$213.49	\$5.69	\$221.96	\$6.12	\$213.59	\$3.39
Hylife	\$223.96	-\$0.20	\$209.60	\$1.80	\$216.79	\$0.95	\$218.27	\$8.07
Ontario***	\$225.41	\$1.24	\$207.27	-\$0.52	\$216.74	\$0.90	\$217.67	\$7.47
Québec (overall)	\$249.75	\$25.59	\$212.89	\$5.09	\$219.33	\$3.49	\$232.66	\$22.46
Tyson (USD)	\$175.10	-\$49.07	\$165.33	-\$42.47	\$172.15	-\$43.69	\$174.35	-\$35.85
John Morrell (USD)	\$168.79	-\$55.37	\$158.83	-\$48.97	\$164.32	-\$51.52	\$166.74	-\$43.46

* 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 margins improved on higher hog and pork values, with moderate moves in feed costs having limited effect week-over-week. Canadian farrow-to-finish feed costs climbed \$0.60/hog, while those in the monitored US region declined \$0.60/hog from the previous week.

Hog margins out of Quebec strengthened \$8.55 to \$13.75/hog losses, while margins out of the ML Sig 4 & Hylife each improved near \$7 to \$19.65 & \$21.60 per hog losses, respectively. Hog margins out of Ontario strengthened \$6.60 to \$28.50/hog losses, while those out of the OlyW 20 & OlyW 21 each improved more than \$3 to more than \$31 and \$41.25/hog losses, respectively. In the US, Tyson margins strengthened shy of \$6 to \$6/hog losses while JM improved \$1.30 to nearly \$12/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	24-Feb-23				Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$220.35	\$187.97	\$41.45	\$22.05	\$251.47	-\$31.12
OlyW 21 (R2)/Alberta	\$210.20	\$187.97	\$41.45	\$22.05	\$251.47	-\$41.27
ML Sig 4/Manitoba	\$220.19	\$176.77	\$41.54	\$21.55	\$239.86	-\$19.67
Hylife/Manitoba	\$218.27	\$176.77	\$41.54	\$21.55	\$239.86	-\$21.59
Ontario	\$217.67	\$177.70	\$42.71	\$25.76	\$246.17	-\$28.50
Québec (overall)	\$232.66	\$180.27	\$42.50	\$23.65	\$246.42	-\$13.76
Tyson (USD)/Iowa	\$174.35	\$131.09	\$30.70	\$18.57	\$180.36	-\$6.01
John Morrell (USD)/ND	\$166.74	\$129.36	\$30.70	\$18.57	\$178.63	-\$11.89

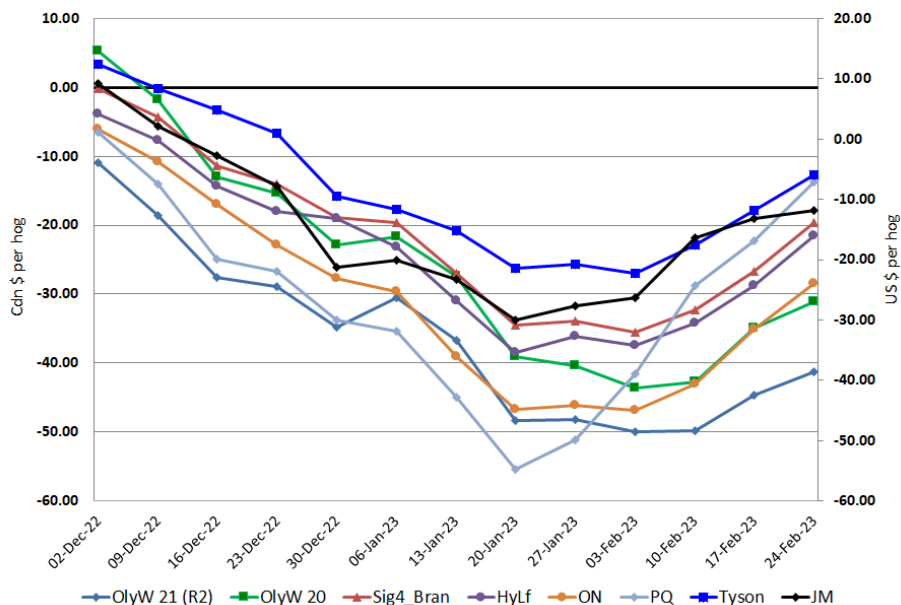
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: $-\$6.01 \text{ USD} \times 1.3609 = -\8.18 CAD
 Morrell: $-\$11.89 \text{ USD} \times 1.3609 = -\16.18 CAD

Canadian & US Margins Last 13 weeks



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.