



Weekly Regional HOG PRICE Report



Things to Consider....

March 14, 2023

All North American Hogs and Pigs were reported at 87.0 million head, up 835 thousand head or +1.0% from the previous report however were 1.6 million head or -1.8% under year ago levels. Canadian All Hogs and Pigs edged +0.2% higher on the latest report to 13,930 thousand head, which brings them 240 thousand head or -1.7% under last year.

North American Market hogs increased 850 thousand to 79.6 million head, up +1.1% from last reported and brings the current market hog inventory 1.6 million head or -2.0% under year-ago levels. Canadian market hog inventories are 230 thousand head or -1.8% lower than the year previous.

The North American Breeding herd slipped 14 thousand head under the inventories last reported in August for the Q1/Q2 2022 period, bringing the latest reporting period 19 thousand head or +0.3% over Q3/Q4 of 2021. Canada's breeding herd recorded no change from previously reported, however the current inventory is 10 thousand head or -0.8% under the year previous.

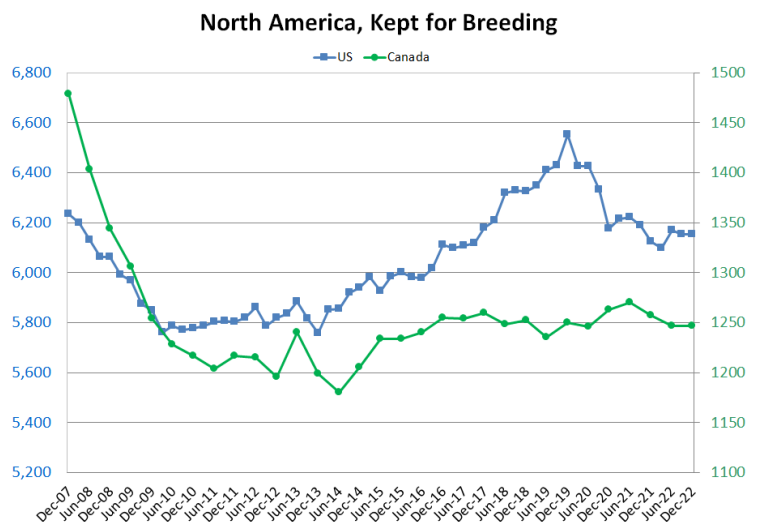
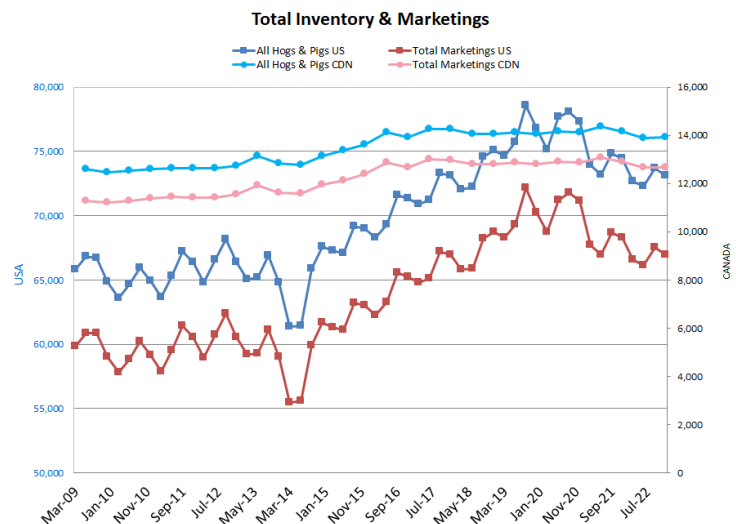
US & Canadian sows farrowed were reported +1.7% or 118 thousand head higher than the previously reported tally, however came in -1.4% or 102 thousand head under last year. The pig crop rose +3.0% from Q1/Q2 2022 period however fell -1.3% from year-ago levels. Sows farrowed in Canada fell 12 thousand head or -1.0% from last reported and is 20 thousand head or -1.6% under last year. Canada's pig crop was recorded -1.4% lower; 202 thousand head lower than previous reported and 215 thousand head under last year.

The slight reduction in overall numbers confirms little to no expansion due in part to higher than expected feed costs over the last 18 months implying ongoing slaughter levels similar or lower to 2022.

U.S. & Canadian Hogs					
December Update, Released March 2023 (1,000 head)					
	2021*	2022**	2022*	% Chg	% Chg
	Q3 & Q4	Q1 & Q2	Q3 & Q4	Q1&2 / Q3&4	Y/Y
All Hogs and Pigs	88,616	86,214	87,049	101.0%	98.2%
Kept for Breeding	7,382	7,415	7,401	99.8%	100.3%
Market Hogs	81,234	78,799	79,649	101.1%	98.0%
Market Hog Weight Groups					
Under 50 pounds	26,919	26,141	26,348	100.8%	97.9%
50-119 pounds	21,498	21,141	21,102	99.8%	98.2%
120-179 pounds	16,804	16,223	16,480	101.6%	98.1%
180 pounds and over	16,013	15,294	15,720	102.8%	98.2%
Sows Farrowed	7,352	7,132	7,250	101.7%	98.6%
Pig Crop	82,949	79,451	81,873	103.0%	98.7%

* Figures represented are US Jun-Nov US & CDN Jul-Dec.

** Figures represented are US Dec-May US & CDN Jan-Jun.



Weekly Hog Price Recap

Regional and national cash hogs were lower overall however rises recorded mid-week helped prices finish largely unchanged from the week previous. CME cash moved more modestly however climbed daily. All wholesale pork primal values improved, generally recording 2%-3% rises, supporting US pork cutout \$2.21/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	10-Mar-23	Head	03-Mar-23		
ISM pm		\$78.94		\$78.86	\$0.08	0.1%
WCB pm		\$78.81		\$78.80	\$0.01	0.0%
Nat pm		\$78.43		\$78.43	-\$0.00	-0.0%
CME Index*		\$79.26		\$78.53	\$0.73	0.9%
Sows, 300-449lbs	13,657	\$64.95	15,102	\$62.86	\$2.09	3.3%
Sows, 500+ lbs	11,581	\$70.09	11,165	\$68.19	\$1.90	2.8%
BoC Exch		1.3743		1.3604	0.0139	1.0%

* Represents Friday-Thursday average

Monitored hog markets were generally \$3-\$4 per hog higher on the week. Hog values out of Ontario and BP/TC were each up around \$4.25/hog, followed by Quebec hogs which were up shy of \$4/hog. The OlyW 20 increased closer to \$3.50/hog, while the ML Sig 4 and Hylife each rose \$3/hog and the OlyW 21 climbed \$2/hog. In the US, Tyson hogs were up \$1/hog while JM was nearly unchanged from the previous week.

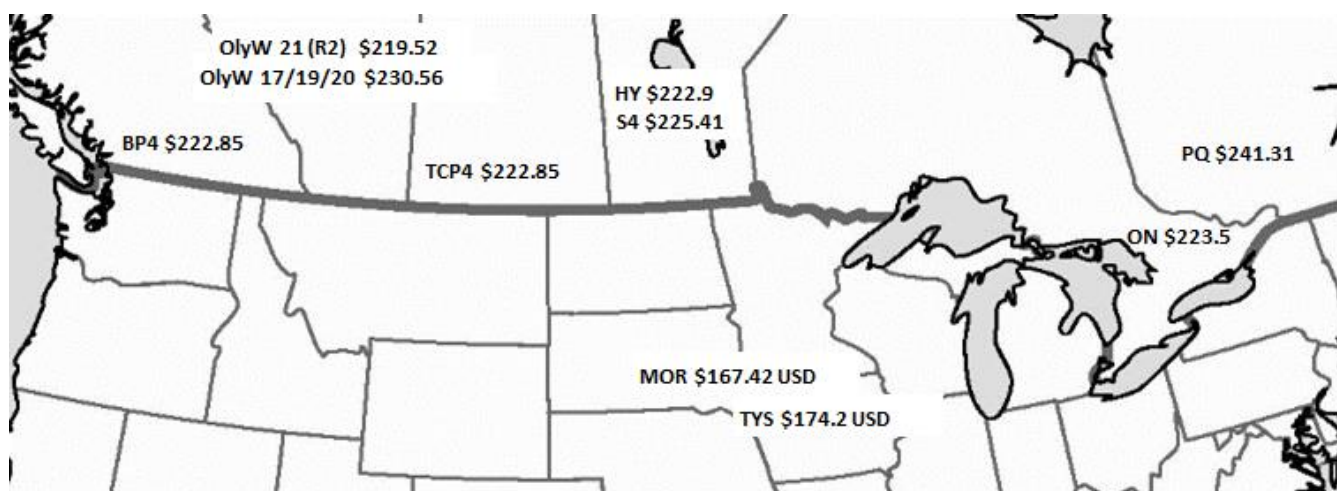
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 10-Mar-23	Difference to OlyW21
OlyW 2021 (R2)**	\$225.35		\$209.40		\$213.71		\$219.52	
OlyW 2020*	\$234.64	\$9.29	\$218.70	\$9.30	\$224.08	\$10.37	\$230.56	\$11.04
ML Sig 4	\$221.36	-\$3.99	\$212.94	\$3.54	\$216.74	\$3.04	\$225.41	\$5.89
BP4/TCP4	\$221.11	-\$4.24	\$212.90	\$3.50	\$217.39	\$3.68	\$222.85	\$3.33
Hylife	\$226.60	\$1.25	\$210.41	\$1.01	\$214.17	\$0.46	\$222.90	\$3.38
Ontario***	\$223.76	-\$1.59	\$208.46	-\$0.95	\$212.84	-\$0.86	\$223.50	\$3.98
Québec (overall)	\$250.53	\$25.18	\$218.77	\$9.37	\$220.57	\$6.86	\$241.31	\$21.80
Tyson (USD)	\$175.82	-\$49.53	\$167.19	-\$42.21	\$170.22	-\$43.49	\$174.20	-\$45.31
John Morrell (USD)	\$169.57	-\$55.78	\$160.73	-\$48.67	\$162.40	-\$51.30	\$167.42	-\$52.10

* 3 Year average uses actual OlyW'20 ONLY 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, in addition to a reduction in feed costs. Canadian farrow-to-finish feed costs were generally stable to a modest \$0.15/hog lower, while those in the monitored US region fell \$1.25/hog from the previous week.

Hog margins out of Quebec strengthened \$4 to \$1.50/hog losses, while margins out of the ML Sig 4 & Hylife each improved around \$3 to near \$10.75 & \$13.25 per hog losses, respectively. OlyW 20 margins improved \$3.50 to \$17.25/hog losses, while Ontario strengthened \$4.45 to \$19/hog losses & OlyW 21 hog margins climbed \$2.15 to \$28.30/hog losses. In the US, Tyson margins strengthened \$2.25 to shy of \$2/hog losses while JM improved \$1.30 to nearly \$7/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	Farrow to Finish				Total COP	Weekly Margin
	10-Mar-23 Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$230.56	\$184.34	\$41.45	\$22.05	\$247.84	-\$17.28
OlyW 21 (R2)/Alberta	\$219.52	\$184.34	\$41.45	\$22.05	\$247.84	-\$28.32
ML Sig 4/Manitoba	\$225.41	\$173.14	\$41.54	\$21.55	\$236.23	-\$10.82
Hylife/Manitoba	\$222.90	\$173.14	\$41.54	\$21.55	\$236.23	-\$13.33
Ontario	\$223.50	\$174.07	\$42.71	\$25.76	\$242.54	-\$19.04
Québec (overall)	\$241.31	\$176.64	\$42.50	\$23.65	\$242.79	-\$1.48
Tyson (USD)/Iowa	\$174.20	\$126.83	\$30.70	\$18.57	\$176.10	-\$1.90
John Morrell (USD)/ND	\$167.42	\$125.10	\$30.70	\$18.57	\$174.37	-\$6.95

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

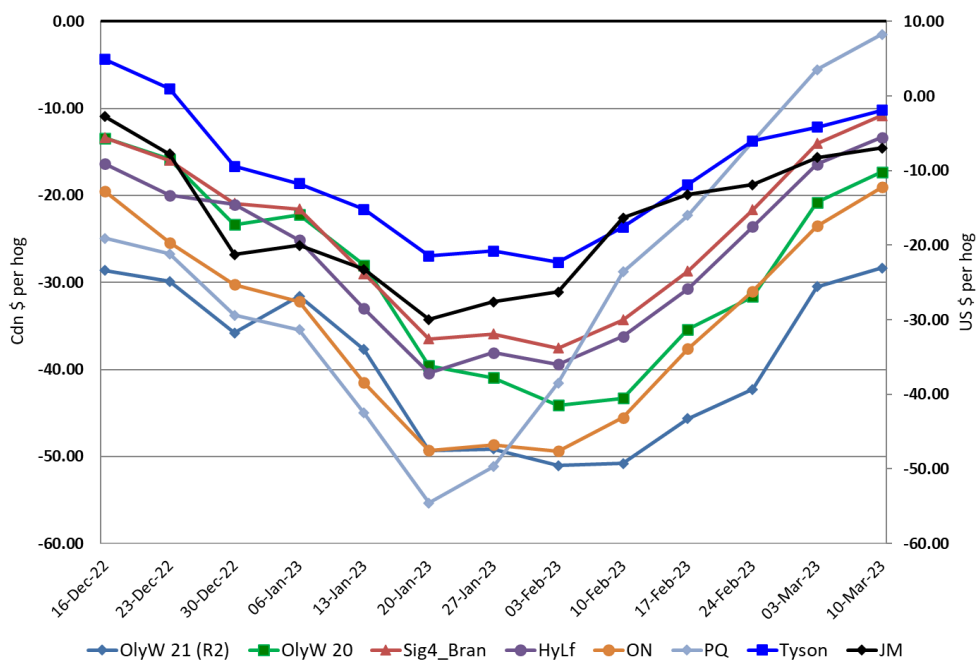
* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: $-\$1.90 \text{ USD} \times 1.3677 = -\2.60 CAD

Morrell: $-\$6.95 \text{ USD} \times 1.3677 = -\9.51 CAD

Canadian & US Margins Last 13 weeks



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