



# Weekly Regional HOG PRICE Report



## Things to Consider....

March 21, 2023

The latest US livestock and meat trade data recorded a seasonal dip in US pork exports to start the new year. US pork exports in the month of January totalled 555.7 million pounds, down 5.6m pounds from a month earlier however were up 45.5m pounds over January 2022.

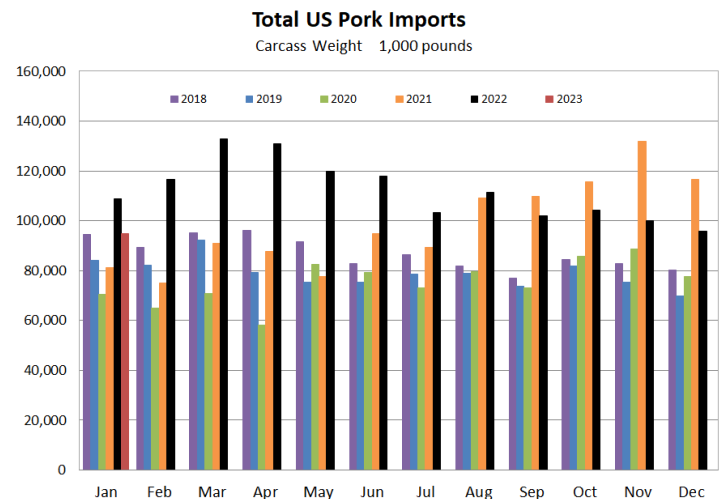
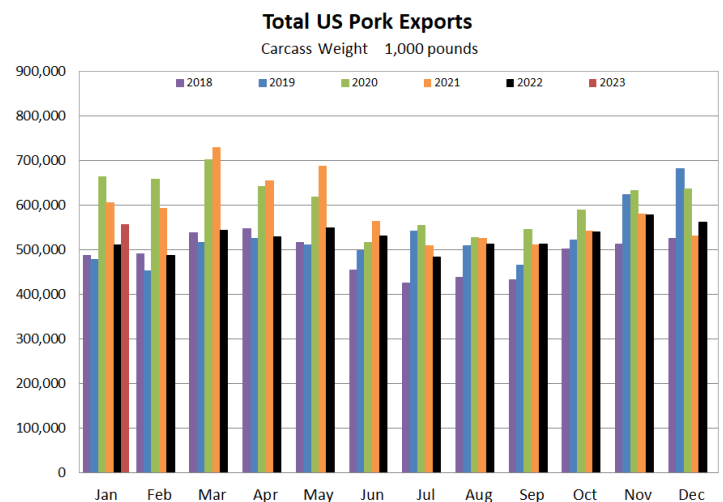
Destinations for US pork which recorded decreased amounts from previously reported were generally 1-5 million pounds lower on the month. Notably however, Panama recorded a 16.0m pound drop for January coming down from their steep seasonal December buying. US pork to mainland China was down 5.5 million pounds for January, bringing China\* overall 5.8m pounds under the tally for December however 15.2m pounds over last year. The Dominican Republic fell 4.0m pounds on the month but is 4.4m over year-ago levels, while Australia declined 2.5m for January bringing US pork exports to Australia 450 thousand under January 2022. Other destinations with more modest moves lower included Honduras, South Korea and Chile and Colombia.

Reported increases of US pork exports to places such as Mexico and Japan helped to offset declines to other countries. US pork to Mexico was up 12.8m pounds from December and is 10.2m pounds over last year, while Japan rose 11.3m pounds from the month previous and is 7.8m pounds higher on the year. Exports to Canada were also higher, up 2.9m pounds for January and 8.1m pounds over last year.

Total US pork imports in January fell 1.0m pounds or -1.0% from the month previous, bringing the latest imports 13.9m pounds or -12.8% under the strong levels recorded in 2022. Pork imports from Mexico dropped 1.1m pounds or -13.2% on the month, bringing them 2.0m pounds or -21.0% under last year, while those from Canada slipped 260 thousand pounds or -0.4% on the month and brings them 1.2m pounds or +1.8% over last year. Notably, the US imported 20.6m pounds more pork from Canada than it exported to the country in the month of January.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Jan-22	Dec-22	Jan-23	M/M%	Y/Y%	YTD/LYTD%
Australia	6,173	8,248	5,723	-30.6%	-7.3%	-7.3%
Canada	38,452	43,718	46,573	6.5%	21.1%	21.1%
China*	44,132	65,165	59,349	-8.9%	34.5%	34.5%
Colombia	17,435	20,853	19,460	-6.7%	11.6%	11.6%
Japan	79,551	76,005	87,337	14.9%	9.8%	9.8%
Mexico	218,301	215,710	228,527	5.9%	4.7%	4.7%
South Korea	48,685	43,768	42,032	-4.0%	-13.7%	-13.7%
<b>All US Pork Exports</b>	<b>510,229</b>	<b>561,295</b>	<b>555,743</b>	<b>-1.0%</b>	<b>8.9%</b>	<b>8.9%</b>

\*Includes Mainland, Hong Kong & Taiwan



# Weekly Hog Price Recap

Regional and national cash hogs buoyed up and down throughout the week, resulting in generally light week-over-week changes. Alternatively, CME cash recorded modest improvements throughout the week. Wholesale pork primal values were mixed with lower hams, bellies and loins weighing US pork cutout \$1.84/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	17-Mar-23	Head	10-Mar-23		
ISM pm		\$78.76		\$78.94	-\$0.18	-0.2%
WCB pm		\$78.81		\$78.81	\$0.01	0.0%
Nat pm		\$77.83		\$78.43	-\$0.60	-0.8%
CME Index*		\$79.93		\$79.26	\$0.67	0.8%
Sows, 300-449lbs	13,607	\$63.25	13,657	\$64.95	-\$1.69	-2.6%
Sows, 500+ lbs	10,096	\$69.15	11,581	\$70.09	-\$0.94	-1.3%
BoC Exch		1.3733		1.3743	-0.0010	-0.1%

\* Represents Friday-Thursday average

Monitored hog markets were generally \$2-\$5 per hog higher on the week. Markets derived from lagged base pricing were up the most with the OlyW 21 rising \$5.60/hog, the OlyW 20 up \$4.50/hog and BP/TC was up more than \$3/hog. Hog values out of Quebec improved shy of \$4/hog, while the ML Sig 4 rose \$2.30/hog, Ontario climbed \$1.50/hog and Hylife edged less than a dollar higher. In the US, Tyson hogs were down \$0.80/hog while JM was again nearly unchanged from the previous week.

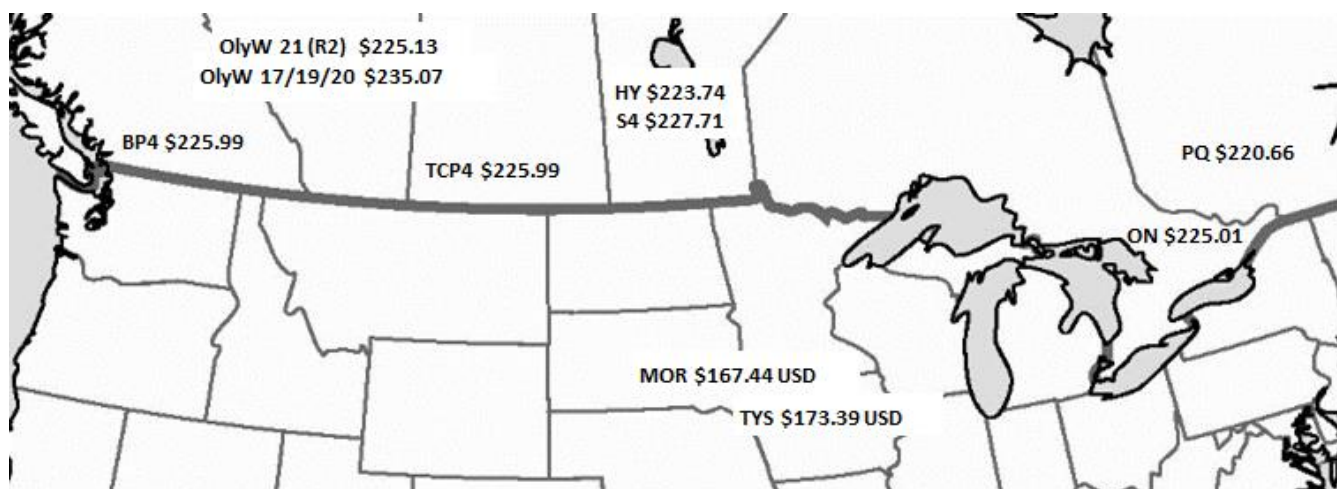
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 17-Mar-23	Difference to OlyW21
OlyW 2021 (R2)**	\$225.67		\$210.97		\$213.80		\$225.13	
OlyW 2020*	\$235.11	\$9.44	\$220.34	\$9.37	\$223.76	\$9.96	\$235.07	\$9.94
ML Sig 4	\$221.79	-\$3.89	\$214.41	\$3.44	\$216.76	\$2.96	\$227.71	\$2.59
BP4/TCP4	\$221.55	-\$4.12	\$214.21	\$3.24	\$217.12	\$3.32	\$225.99	\$0.86
Hylife	\$226.58	\$0.91	\$211.74	\$0.77	\$214.10	\$0.30	\$223.74	-\$1.38
Ontario***	\$224.21	-\$1.47	\$210.11	-\$0.86	\$212.63	-\$1.17	\$225.01	-\$0.12
Québec (overall)	\$225.47	-\$0.20	\$198.79	-\$12.19	\$199.23	-\$14.57	\$220.66	-\$4.47
Tyson (USD)	\$176.18	-\$49.49	\$167.81	-\$43.16	\$169.43	-\$44.37	\$173.39	-\$51.74
John Morrell (USD)	\$169.95	-\$55.72	\$161.40	-\$49.57	\$161.88	-\$51.92	\$167.44	-\$57.69

\* 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 generally higher hog values, supported additionally by a reduction in feed costs. Canadian farrow-to-finish feed costs dropped \$2.85/hog, while those in the monitored US region declined \$0.70/hog from the previous week.

Hog margins out of the ML Sig 4 improved more than \$5 to \$5.65/hog losses, followed by those out of Hylife which recovered \$3.75 to \$9.60/hog losses. OlyW 20 hog margins strengthened \$7.30 to nearly \$10/hog losses, while Ontario improved \$4.35 to \$14.65/hog losses. Quebec was up \$6.75 to \$19.25/hog losses, while OlyW 21 hog margins strengthened \$8.50 to \$19.85/hog losses. In the US, Tyson margins slipped \$0.15 to \$2/hog losses while JM improved \$0.70 to \$6.25/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	17-Mar-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$235.07	\$181.48	\$41.45	\$22.05	\$244.98	-\$9.91
OlyW 21 (R2)/Alberta	\$225.13	\$181.48	\$41.45	\$22.05	\$244.98	-\$19.85
ML Sig 4/Manitoba	\$227.71	\$170.28	\$41.54	\$21.55	\$233.37	-\$5.66
Hylife/Manitoba	\$223.74	\$170.28	\$41.54	\$21.55	\$233.37	-\$9.63
Ontario	\$225.01	\$171.21	\$42.71	\$25.76	\$239.68	-\$14.67
Québec (overall)	\$220.66	\$173.78	\$42.50	\$23.65	\$239.93	-\$19.27
Tyson (USD)/Iowa	\$173.39	\$126.15	\$30.70	\$18.57	\$175.42	-\$2.03
John Morrell (USD)/ND	\$167.44	\$124.42	\$30.70	\$18.57	\$173.69	-\$6.25

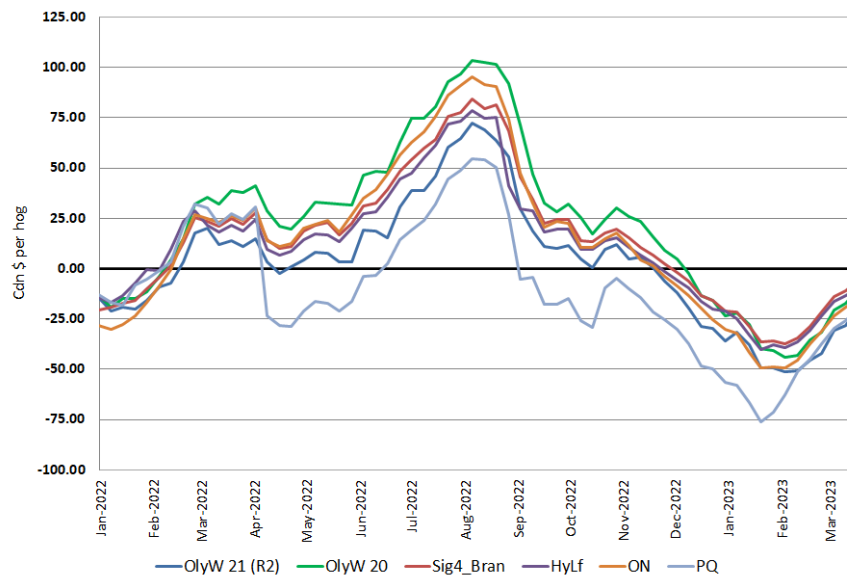
\* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson:  $-\$2.03 \text{ USD} \times 1.3706 = -\$2.78 \text{ CAD}$   
 Morrell:  $-\$6.25 \text{ USD} \times 1.3706 = -\$8.57 \text{ CAD}$

Canadian Margins 2022-2023



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