



Weekly Regional HOG PRICE Report



Things to Consider....

March 28, 2023

The latest US Cold Storage numbers reported pork stocks at 521.2 million pounds for February, a modest 2.3m pounds higher from January and 42.9m pounds over year-ago levels.

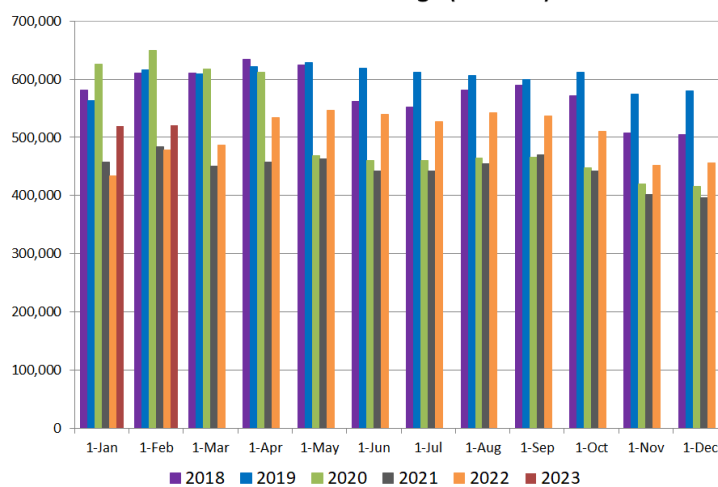
Lessened amounts of loins, trimmings, butts, picnics and Other pork were offset by increased quantities of hams, variety meats, and bellies in the month of February. Compared to the lower supplies recorded for this time last year, most primals are above year-ago levels with exception to trimmings, and loins which were near even with levels reported a year earlier.

Total hams recorded the largest increase from previously reported (though considered seasonal), up 6.5m pounds on the month due to sharply increased bone-in hams while boneless supplies declined, bringing hams overall 857 thousand pounds over supplies recorded last year. Unclassified pork in cold storage rose 3.5m pounds on the month and is 3.4m pounds over last year, while variety meats were up 1.7m pounds from last reported and are 1.9m pounds over February of last year. Bellies in cold storage climbed shy of a million pounds on the month, bringing belly supplies 20.8m pounds over this time last year. Spare-ribs recorded very little change from previously reported, however compared to a year earlier rib supplies are up 9.7m pounds.

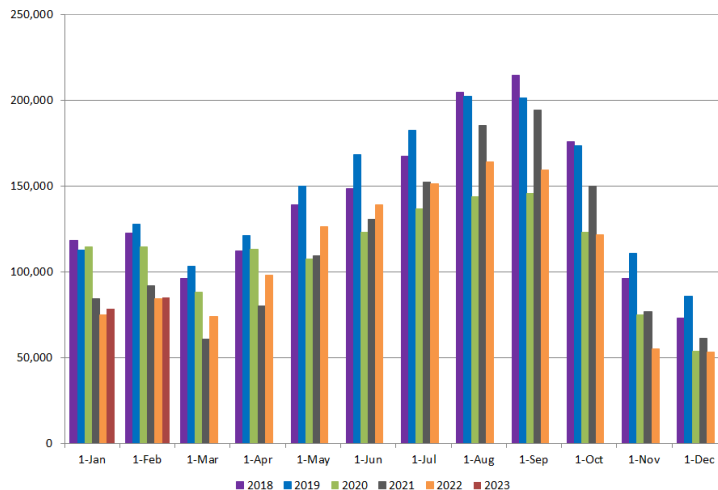
The category accounting for Other Pork fell 3.8m pounds on the latest report, bringing those supplies 5.7m pounds over last year. Total loins in cold storage fell 2.5m pounds from January levels, with the boneless variety accounting for the majority of the decline, bringing current loin stocks overall near even with a year earlier. Trimmings were down 2.0m pounds for February and 2.9m under 2022, while butts declined 1.5m pounds on the month but were 2.9m pounds over last year, and bone-in picnics fell 572 thousand pounds on the month but is 793 thousand pounds over 2022.

US Pork in Cold Storage					
('000 lbs)	Feb-23	Jan-23	Feb-22	M/M	Y/Y
Picnics	8,478	9,050	7,685	-6.3%	10.3%
Hams	85,069	78,585	84,212	8.3%	1.0%
Bellies	70,955	69,991	50,115	1.4%	41.6%
Loins	42,555	45,098	42,723	-5.6%	-0.4%
Ribs	116,456	116,368	106,804	0.1%	9.0%
Butts	26,475	27,926	23,611	-5.2%	12.1%
Trimmings	51,089	53,109	53,972	-3.8%	-5.3%
Other	48,007	51,834	42,311	-7.4%	13.5%
Variety	22,487	20,822	20,625	8.0%	9.0%
Unclassified	49,617	46,151	46,257	7.5%	7.3%
Total Pork	521,188	518,934	478,315	0.4%	9.0%

US Pork in Cold Storage ('000 Lbs)



Cold Storage - Total Hams ('000 lbs)



Weekly Hog Price Recap

Cash hogs were generally mixed however finished the week lower, with national cash down near daily while regional cash went unreported late-week. CME cash declined daily, with mid-week moves down the most compared to other days. Wholesale pork values were recorded lower across all primals, particularly bellies and hams, weighing US pork cutout \$4.93/cwt under the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	24-Mar-23	Head	17-Mar-23		
ISM pm		\$77.94		\$78.76	-\$0.83	-1.1%
WCB pm		\$77.44		\$78.81	-\$1.38	-1.7%
Nat pm		\$77.08		\$77.83	-\$0.75	-1.0%
CME Index*		\$78.09		\$79.93	-\$1.84	-2.3%
Sows, 300-449lbs	12,835	\$58.24	13,607	\$63.25	-\$5.01	-7.9%
Sows, 500+ lbs	11,214	\$65.50	10,096	\$69.15	-\$3.65	-5.3%
BoC Exch		1.3705		1.3733	-0.0028	-0.2%

* Represents Friday-Thursday average

Monitored hog markets were generally \$2-\$6 per hog lower on the week. Hog values out of Ontario fell \$6.65/hog and Hylife was down \$6.25/hog, while the ML Sig 4 fell more than \$5/hog and Quebec was down \$2.75/hog. Markets derived from lagged base pricing moved more moderately with the OlyW 21 down \$2.30/hog and the OlyW 20 a modest \$0.10/hog lower, while BP/TC improved \$2.35/hog. In the US, Tyson hogs were down \$0.70/hog while JM declined shy of \$3/hog from the previous week.

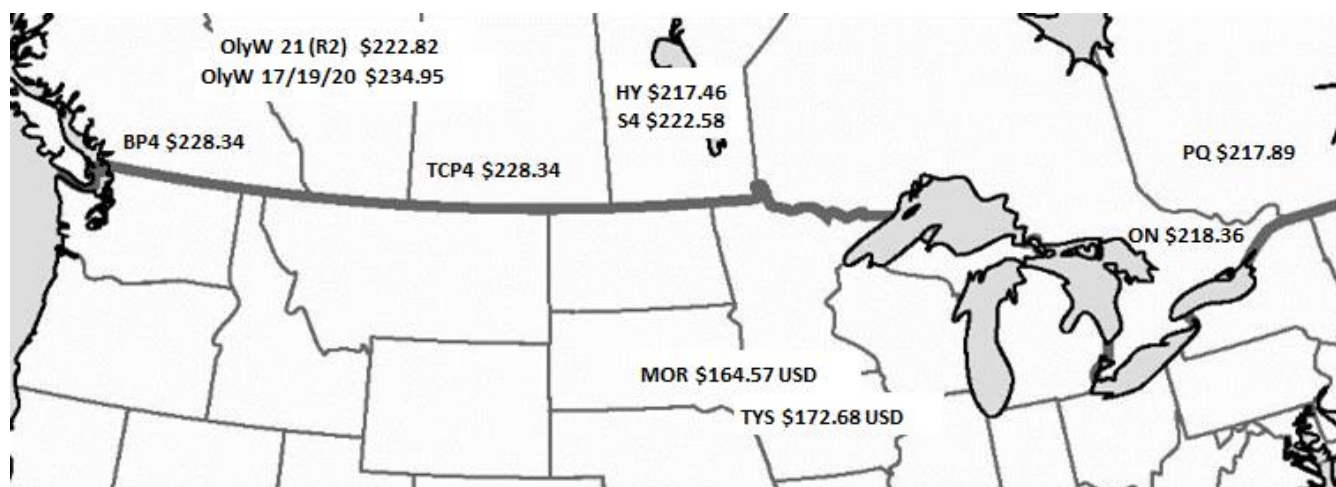
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 24-Mar-23	Difference to OlyW21
OlyW 2021 (R2)**	\$225.98		\$212.05		\$213.73		\$222.82	
OlyW 2020*	\$235.56	\$9.58	\$221.67	\$9.62	\$223.55	\$9.82	\$234.95	\$12.13
ML Sig 4	\$222.17	-\$3.81	\$215.16	\$3.11	\$216.49	\$2.76	\$222.58	-\$0.24
BP4/TCP4	\$221.98	-\$4.00	\$215.49	\$3.44	\$217.13	\$3.40	\$228.34	\$5.52
Hylife	\$226.52	\$0.55	\$212.26	\$0.21	\$213.75	\$0.02	\$217.46	-\$5.36
Ontario***	\$224.60	-\$1.38	\$210.86	-\$1.19	\$212.29	-\$1.44	\$218.36	-\$4.46
Québec (overall)	\$225.82	-\$0.16	\$200.52	-\$11.53	\$200.33	-\$13.40	\$217.89	-\$4.94
Tyson (USD)	\$176.54	-\$49.44	\$168.25	-\$43.80	\$168.81	-\$44.92	\$172.68	-\$50.15
John Morrell (USD)	\$170.30	-\$55.68	\$161.69	-\$50.36	\$161.45	-\$52.28	\$164.57	-\$58.25

* 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 were moderately mixed on the week due to lower hog and pork values, coupled with a considerable reduction in feed costs. Canadian farrow-to-finish feed costs dropped \$3/hog, while those in the monitored US region declined \$2.30/hog from the previous week.

Hog margins out of the OlyW 20 improved \$3 to \$7/hog losses, followed by those off the ML Sig 4 which weakened more than \$2 to \$7.75/hog losses. Hylife margins were down \$3.25 to nearly \$13/hog losses, while Ontario weakened \$3.60 to \$18.25/hog losses. Hog margins out of Quebec recovered a modest \$0.25 while OlyW 21 margins improved \$0.75, with market finishing the week near \$19/hog losses. In the US, Tyson margins strengthened \$1.60 to \$0.45/hog losses while JM weakened \$0.55 to \$6.80/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	24-Mar-23	Farrow to Finish			Total	Weekly
	Hog Price	Feed*	Variable	Fixed	COP	Margin
OlyW 20/Alberta	\$234.95	\$178.43	\$41.45	\$22.05	\$241.93	-\$6.98
OlyW 21 (R2)/Alberta	\$222.82	\$178.43	\$41.45	\$22.05	\$241.93	-\$19.11
ML Sig 4/Manitoba	\$222.58	\$167.23	\$41.54	\$21.55	\$230.32	-\$7.74
Hylife/Manitoba	\$217.46	\$167.23	\$41.54	\$21.55	\$230.32	-\$12.86
Ontario	\$218.36	\$168.16	\$42.71	\$25.76	\$236.63	-\$18.27
Québec (overall)	\$217.89	\$170.73	\$42.50	\$23.65	\$236.88	-\$18.99
Tyson (USD)/Iowa	\$172.68	\$123.84	\$30.70	\$18.57	\$173.11	-\$0.43
John Morrell (USD)/ND	\$164.57	\$122.11	\$30.70	\$18.57	\$171.38	-\$6.81

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

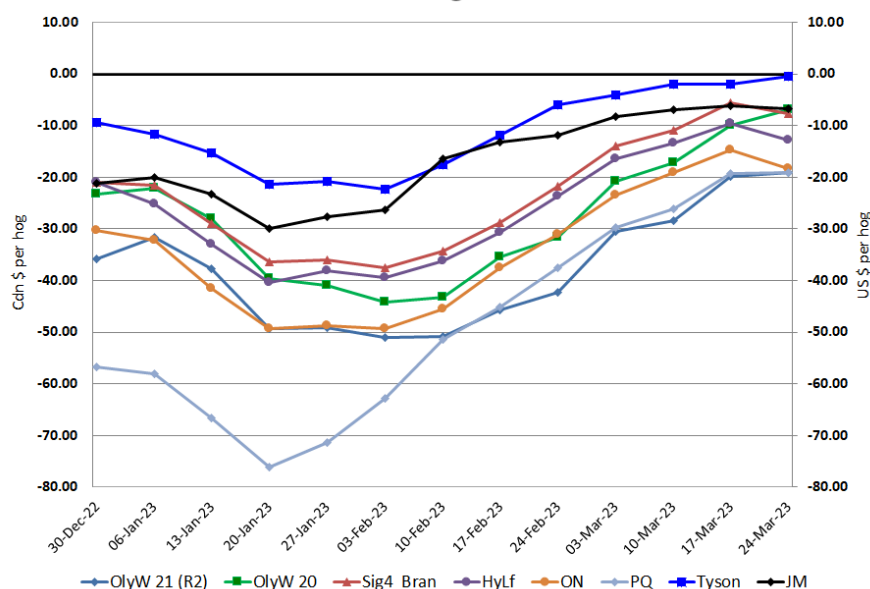
* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: $-\$0.43 \text{ USD} \times 1.3626 = -\0.60 CAD

Morrell: $-\$6.81 \text{ USD} \times 1.3626 = -\9.28 CAD

Canadian & US Margins Last 13 weeks



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