



# Weekly Regional HOG PRICE Report



## Things to Consider....

The latest monthly US livestock and meat trade data recorded a sizeable, seasonal decline in US pork exports for the month of February. US pork exports on the latest report totalled 504.2 million pounds, down 51.5m pounds from January, up 18.0m pounds over a year earlier and 63.5m pounds over last year-to-date.

Reduced pork exports to Mexico accounted for the majority of the month-over-month decline, dropping 49.6m pounds from previously reported and 1.8m pounds under a year earlier. US pork to mainland China fell 11.7m pounds for February, bringing China\* (including Hong Kong & Taiwan) overall 10.2m pounds lower on the month however up 6.8m pounds over last year. Exports to Canada were down 5.4m pounds for February however up 3.4m pounds compared to Feb 2022, while South Korea fell 3.6m pounds on the month and 2.0m pounds under last year.

Reported increases of US pork exports to destinations such as the Dominican Republic, Australia, Guatemala and Japan helped to offset declines to other countries. US pork to the Dominican Republic rose 7.5m pounds for February and is up 14.3m pounds over a year earlier, while Australia rose 3.9m pounds on the month however is a more moderate 321 thousand pounds over last year. Guatemala jumped 2.9m pounds for February and is 3.0m over 2022, while Japan climbed 1.3m pounds from the month previous however is 9.9m pounds lower on the year.

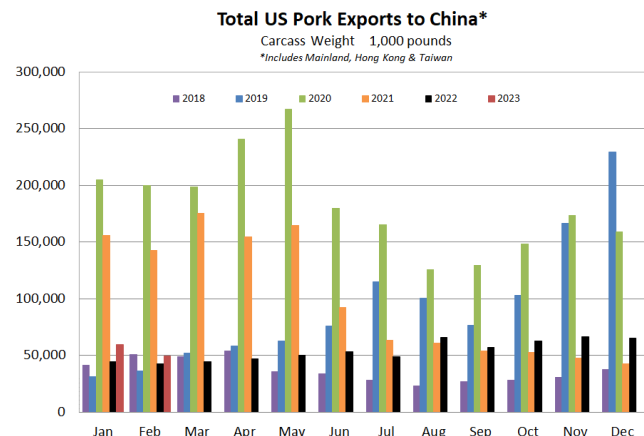
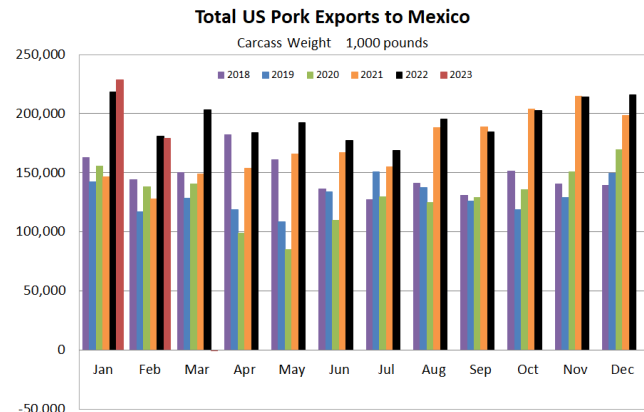
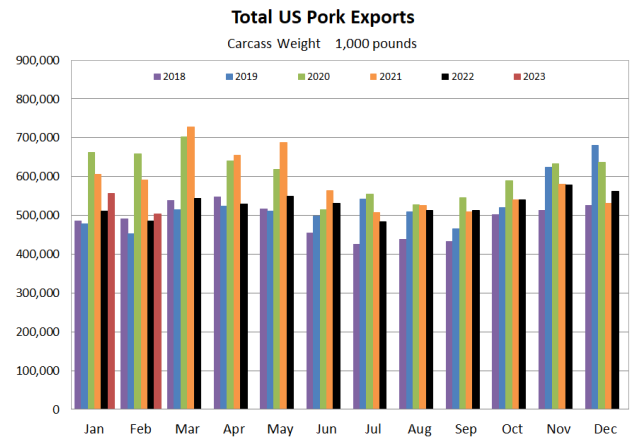
Total US pork imports in February declined 3.5m pounds or -3.7% from previously reported, bringing the latest imports 25.3m pounds or -21.7% under the strong levels recorded in 2022. Pork imports from Canada into the US were 3.4m pounds lower in February and 10.0m pounds under a year earlier. Notably, the US imported 22.6m pounds more pork from Canada than it exported to the country in the month of February.

Disappointing US pork exports continues to be a major factor in recent declines to cash and future lean hog prices. Although supply numbers do not appear burdensome, demand for pork will need to see improvements before major changes are noticed in market hog and small pig prices.

April 11, 2023

| US Pork Exports (carcass weight, 1,000 pounds) |                |                |                |              |             |             |
|--|----------------|----------------|----------------|--------------|-------------|-------------|
| Top 7 Countries                                | Feb-22         | Jan-23         | Feb-23         | M/M%         | Y/Y%        | YTD/LYTD%   |
| Australia                                      | 9,980          | 5,723          | 9,659          | 68.8%        | -3.2%       | -4.8%       |
| Canada   | 37,758         | 46,573         | 41,136         | -11.7%       | 8.9%        | 15.1%       |
| China*   | 42,341         | 59,349         | 49,169         | -17.2%       | 16.1%       | 25.5%       |
| Colombia                                       | 19,888         | 19,460         | 20,561         | 5.7%         | 3.4%        | 7.2%        |
| Japan  | 98,582         | 87,337         | 88,662         | 1.5%         | -10.1%      | -1.2%       |
| Mexico   | 180,722        | 228,527        | 178,923        | -21.7%       | -1.0%       | 2.1%        |
| South Korea                                    | 40,496         | 42,032         | 38,479         | -8.5%        | -5.0%       | -9.7%       |
| <b>All US Pork Exports</b>                     | <b>486,236</b> | <b>555,743</b> | <b>504,226</b> | <b>-9.3%</b> | <b>3.7%</b> | <b>6.4%</b> |

\*Includes Mainland, Hong Kong & Taiwan



# Weekly Hog Price Recap

Cash hogs fell throughout much of the week, with regional cash unreported Monday and down significantly Tuesday while national cash was up moderately Monday. CME cash declined daily, again recording generally steady, modest daily moves. Most wholesale pork primal values were lower, excluding picnics, weighing US pork cutout \$1.85/cwt under the previous week's average.

| USD Cash Price   | Weekly Averages |           |        |           | w/w     | % Chg  |
|------------------|-----------------|-----------|--------|-----------|---------|--------|
|                  | Head            | 07-Apr-23 | Head   | 31-Mar-23 |         |        |
| ISM pm           |                 | \$71.91   |        | \$75.90   | -\$3.99 | -5.3%  |
| WCB pm           |                 | \$71.81   |        | \$75.45   | -\$3.64 | -4.8%  |
| Nat pm           |                 | \$71.62   |        | \$74.97   | -\$3.35 | -4.5%  |
| CME Index*       |                 | \$74.00   |        | \$76.01   | -\$2.01 | -2.6%  |
| Sows, 300-449lbs | 12,273          | \$44.07   | 12,441 | \$51.38   | -\$7.30 | -14.2% |
| Sows, 500+ lbs   | 9,543           | \$51.35   | 11,116 | \$59.22   | -\$7.87 | -13.3% |
| BoC Exch         |                 | 1.3455    |        | 1.3590    | -0.0135 | -1.0%  |

\* Represents Friday-Thursday average

Monitored hog markets were generally \$5-\$8 per hog lower on the week. Hog values out of Ontario dropped \$8/hog and Quebec was down \$7.55/hog, while Hylife & BP/TC each declined \$6.80/hog and the ML Sig 4 fell \$6.15/hog. The OlyW 20 was down \$6/hog, while the OlyW 21 fell more than \$5/hog. In the US, Tyson hogs were down \$4.70/hog while JM declined \$7.55/hog from the previous week.

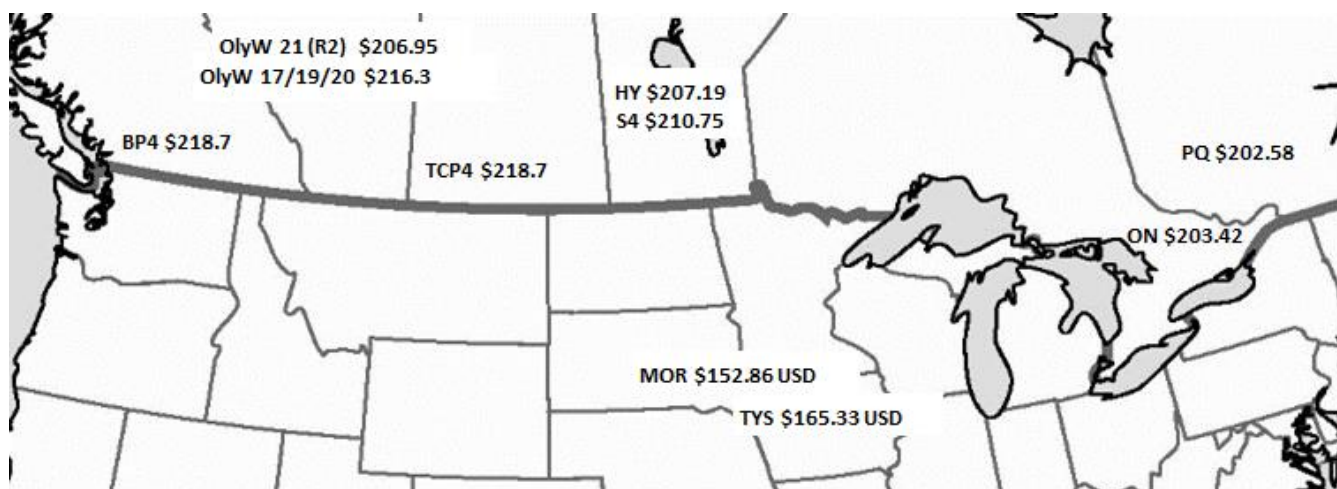
| Regional Pricing, \$/hog |          |                      |              |                      |               |                      |                  |                      |
|--------------------------|----------|----------------------|--------------|----------------------|---------------|----------------------|------------------|----------------------|
| Packer/Region            | 3 Year   | Difference to OlyW21 | 2023 YTD AVG | Difference to OlyW21 | Last 13 weeks | Difference to OlyW21 | Ending 07-Apr-23 | Difference to OlyW21 |
| IPM (MMS 5.0)            | \$237.38 |                      | \$225.91     |                      | \$225.08      |                      | \$214.97         |                      |
| OlyW 2021 (R2)**         | \$225.12 |                      | \$211.48     |                      | \$210.60      |                      | \$206.95         |                      |
| OlyW 2020*               | \$232.01 | \$6.89               | \$218.72     | \$7.24               | \$217.90      | \$7.30               | \$216.30         | \$9.36               |
| ML Sig 4                 | \$223.67 | -\$1.45              | \$216.35     | \$4.87               | \$215.80      | \$5.20               | \$210.75         | \$3.80               |
| BP4/TCP4                 | \$225.12 | -\$0.00              | \$219.27     | \$7.79               | \$218.59      | \$7.99               | \$218.70         | \$11.75              |
| Hylife                   | \$227.85 | \$2.73               | \$214.21     | \$2.74               | \$213.70      | \$3.10               | \$207.19         | \$0.24               |
| Ontario***               | \$225.06 | -\$0.05              | \$210.89     | -\$0.59              | \$210.33      | -\$0.28              | \$203.42         | -\$3.52              |
| Québec (overall)         | \$226.15 | \$1.04               | \$201.15     | -\$10.33             | \$201.42      | -\$9.18              | \$202.58         | -\$4.37              |
| Tyson (USD)              | \$177.13 | -\$47.99             | \$168.29     | -\$43.19             | \$168.16      | -\$42.44             | \$165.33         | -\$41.62             |
| John Morrell (USD)       | \$170.80 | -\$54.32             | \$160.84     | -\$50.64             | \$160.92      | -\$49.69             | \$152.86         | -\$54.09             |

\* 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 generally weakened \$4-\$6 due to lower hog values, however a pullback in feed costs north of the border helped offset some of the weakness. Canadian farrow-to-finish feed costs fell \$1.55/hog, while those in the monitored US region were up \$1/hog from the previous week.

ML Sig 4 hog margins weakened \$4.55 to \$16.25/hog losses followed by those out of Hylife which declined \$5.25 to \$19.80/hog losses, and OlyW 20 margins weakened \$4.45 to \$22.30/hog losses. Hog margins out of Ontario dropped \$6.35 to shy of \$30/hog losses, while those out of Quebec weakened \$6 to \$31/hog losses and OlyW 21 fell \$3.55 to \$31.65/hog losses. In the US, Tyson margins declined \$6.65 to \$10/hog losses while JM weakened \$8.55 to \$20.75/hog losses for the week.

| Regional MARGINS, \$/hog |                     |          |          |         |           |               |
|--------------------------|---------------------|----------|----------|---------|-----------|---------------|
| Packer/Region            | Farrow to Finish    |          |          |         | Total COP | Weekly Margin |
|                          | 07-Apr-23 Hog Price | Feed*    | Variable | Fixed   |           |               |
| OlyW 20/Alberta          | \$216.30            | \$175.11 | \$41.45  | \$22.05 | \$238.61  | -\$22.31      |
| OlyW 21 (R2)/Alberta     | \$206.95            | \$175.11 | \$41.45  | \$22.05 | \$238.61  | -\$31.66      |
| ML Sig 4/Manitoba        | \$210.75            | \$163.91 | \$41.54  | \$21.55 | \$227.00  | -\$16.25      |
| Hylife/Manitoba          | \$207.19            | \$163.91 | \$41.54  | \$21.55 | \$227.00  | -\$19.81      |
| Ontario                  | \$203.42            | \$164.84 | \$42.71  | \$25.76 | \$233.31  | -\$29.89      |
| Québec (overall)         | \$202.58            | \$167.41 | \$42.50  | \$23.65 | \$233.56  | -\$30.98      |
| Tyson (USD)/Iowa         | \$165.33            | \$126.10 | \$30.70  | \$18.57 | \$175.37  | -\$10.04      |
| John Morrell (USD)/ND    | \$152.86            | \$124.37 | \$30.70  | \$18.57 | \$173.64  | -\$20.78      |

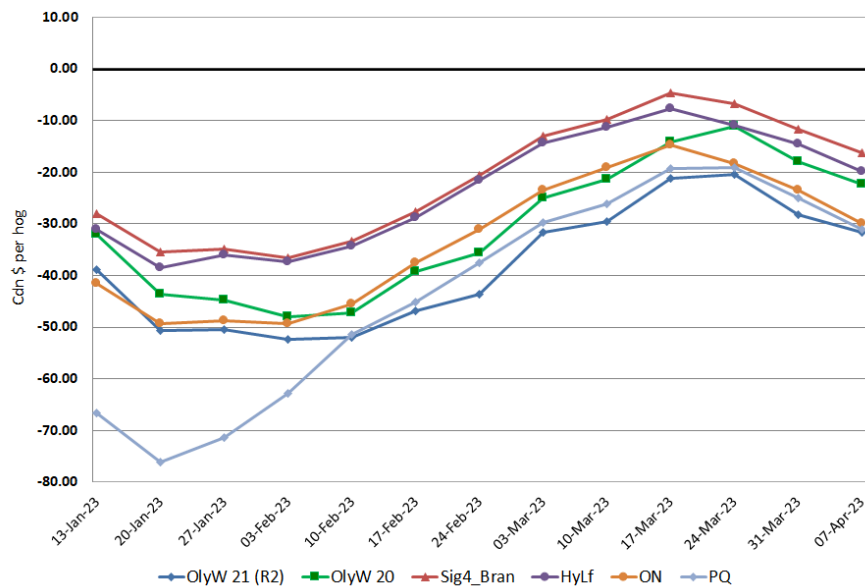
\* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson:  $-\$10.04 \text{ USD} \times 1.3483 = -\$13.54 \text{ CAD}$   
 Morrell:  $-\$20.78 \text{ USD} \times 1.3483 = -\$28.02 \text{ CAD}$

## Canadian Margins Last 13 weeks



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