



# Weekly Regional HOG PRICE Report



## Things to Consider....

May 16, 2023

US retail pork prices in April were lower on the month, though mixed compared to a year earlier. Monthly wholesale pork values also fell in the same period, with most primals also significantly lower than last year's strong values.

US **retail bacon** fell -1.0% from March price levels with the average April price at \$6.55/lb. The latest bacon prices are down -11.8% from year-ago levels, while current retail bacon prices are \$0.22/lb over the 3-year average for the month of April. **Wholesale belly** values dropped -14.9% during the same period to \$80.02/cwt during April, with current values a staggering -55.5% under high values recorded last year. Notably, wholesale belly values are \$63.14/cwt under the 3-year historical average.

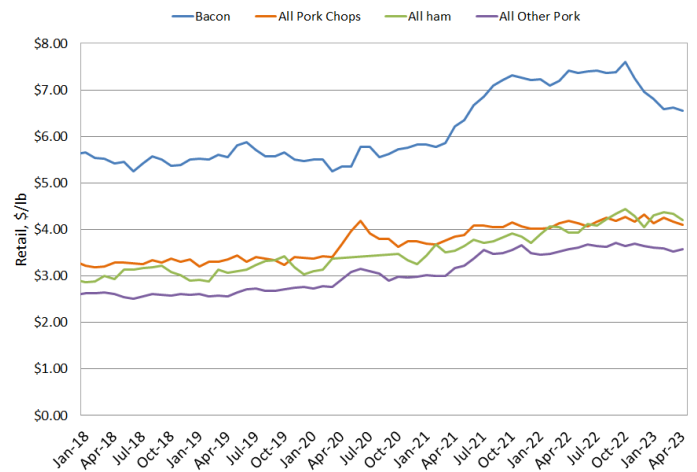
All **retail chops** fell -1.6% to \$4.10/lb for April, coming down from the new record high reach for the month of March. This brought the latest retail chop prices -1.9% under last year, while current retail price levels \$0.20 over the 3-year average for the month of April. **Wholesale loins** values declined -3.1% to \$80.74/cwt from the previous month, bringing current loin values -19.2% under last year. For comparison, average loin values for April are \$11.09/cwt under the 3-year historical average.

All **retail hams** fell -3.0% to \$4.21/lb for April, bringing hams +7.3% over year-ago levels. Current retail price levels are \$0.47 over the 3-year average for the month of April. **Wholesale ham** values averaged \$71.33/cwt which was down -10.3% from March values, bringing April values -13.7% under year-ago levels. For comparison wholesale picnics are down \$7.77/cwt compared to the 3-year historical average.

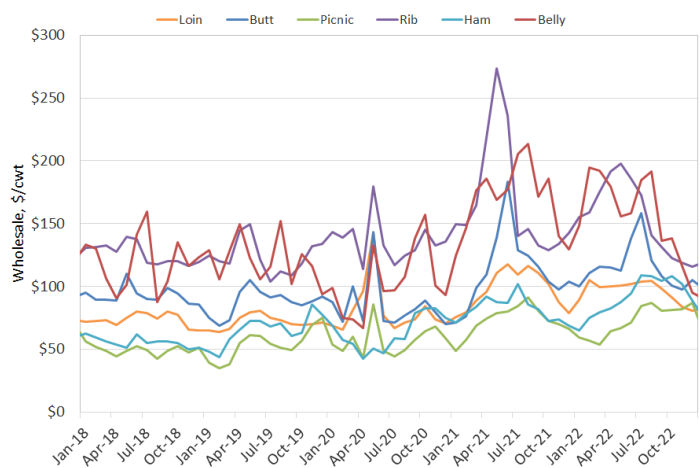
US Retail Pork Price, US\$/lb							
	Apr-22	Mar-23	Apr-23	m/m	y/y		
Bacon	\$7.42	\$6.61	\$6.55	-\$0.06	-1.0%	-\$0.87	-11.8%
All Pork Chops	\$4.18	\$4.17	\$4.10	-\$0.07	-1.6%	-\$0.08	-1.9%
chops, center cut, bone in	\$4.59	\$4.62	\$4.51	-\$0.11	-2.4%	-\$0.08	-1.8%
chops, boneless	\$4.58	\$4.32	\$4.49	\$0.17	3.9%	-\$0.09	-1.9%
All Ham	\$3.92	\$4.34	\$4.21	-\$0.13	-3.0%	\$0.29	7.3%
Hams, boneless uncanned	\$4.99	\$5.68	\$5.56	-\$0.11	-2.0%	\$0.58	11.6%
All Other Pork	\$3.58	\$3.53	\$3.58	\$0.06	1.6%	\$0.00	0.1%

National Pork (MPR) Primal Values, US\$/cwt							
	Apr-22	Mar-23	Apr-23	m/m	y/y		
Cutout	106.56	83.74	78.11	-\$5.63	-6.7%	-\$28.45	-26.7%
Loin	99.90	83.35	80.74	-\$2.61	-3.1%	-\$19.17	-19.2%
Butt	115.36	105.17	105.82	\$0.66	0.6%	-\$9.54	-8.3%
Picnic	64.70	70.07	65.79	-\$4.29	-6.1%	\$1.08	1.7%
Rib	191.74	118.37	113.60	-\$4.77	-4.0%	-\$78.14	-40.8%
Ham	82.61	79.48	71.33	-\$8.16	-10.3%	-\$11.28	-13.7%
Belly	179.79	94.04	80.02	-\$14.02	-14.9%	-\$99.77	-55.5%

Monthly US Retail Prices



Monthly Wholesale Pork Primal Values



# Weekly Hog Price Recap

Cash hogs improved throughout much of the week with exception to Friday, where national cash was notably lower and regional cash went unreported. CME cash was up near daily, excluding Monday which recorded a modest decline. Wholesale pork values improved overall however primals ended the week mixed compared to the previous week's averages. Hams were particularly stronger, up +9.0%, helping to support US pork cutout \$1.56/cwt higher than the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	12-May-23	Head	05-May-23		
ISM pm		\$77.73		\$75.09	\$2.64	3.5%
WCB pm		\$77.62		\$74.85	\$2.77	3.7%
Nat pm		\$75.04		\$72.59	\$2.45	3.4%
CME Index*		\$75.09		\$73.53	\$1.56	2.1%
Sows, 300-449lbs	13,201	\$18.06	11,269	\$22.08	-\$4.03	-18.2%
Sows, 500+ lbs	12,891	\$23.72	10,873	\$27.34	-\$3.63	-13.3%
BoC Exch		1.3426		1.3555	-0.0129	-1.0%

\* Represents Friday-Thursday average

Monitored Canadian hog markets generally improved. Markets derived from lagged base pricing were up the most with the OlyW 20 up \$6.45/hog, while the OlyW 21 & BP4/TC4 were each up \$3.60/hog. Hog values out of Ontario rose \$2/hog while those out of Quebec and the ML Sig 4 was nearly unchanged and Hylife slipped \$0.60/hog. In the US, Tyson hogs improved \$2.85/hog, while JM rose \$5.75/hog from the previous week.

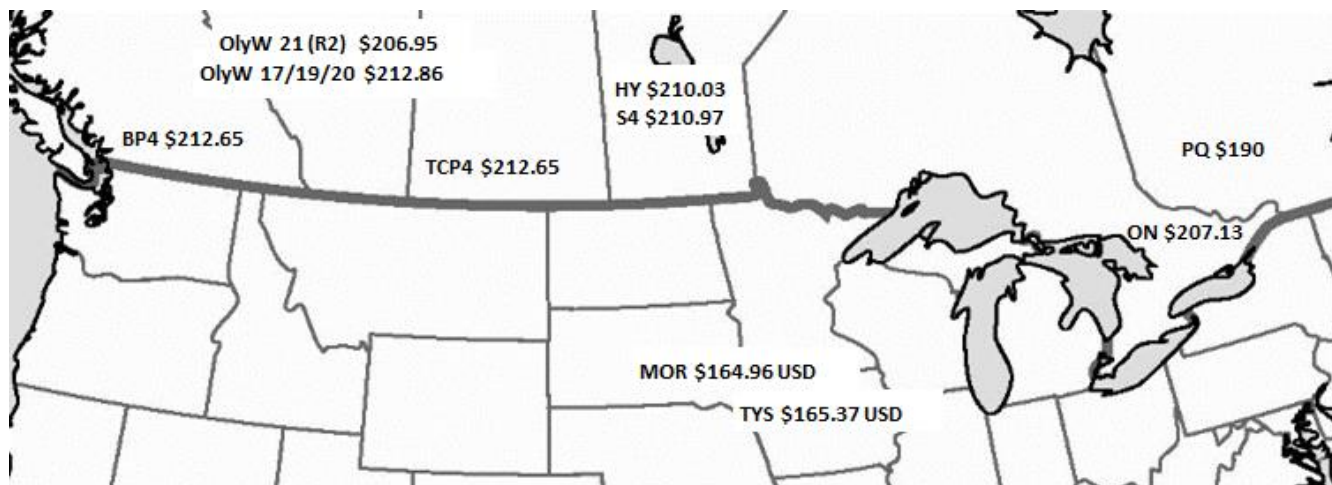
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 12-May-23	Difference to OlyW21
IPM (MMS 5.0)	\$230.03		\$220.70		\$220.62		\$220.39	
OlyW 2021 (R2)**	\$225.74		\$208.94		\$209.23		\$206.95	
OlyW 2020*	\$233.16	\$7.42	\$215.54	\$6.61	\$216.18	\$6.96	\$212.86	\$5.91
ML Sig 4	\$224.93	-\$0.81	\$214.14	\$5.21	\$215.40	\$6.17	\$210.97	\$4.02
BP4/TCP4	\$226.23	\$0.49	\$216.70	\$7.77	\$217.01	\$7.78	\$212.65	\$5.71
Hylife	\$227.19	\$1.45	\$212.30	\$3.36	\$213.59	\$4.36	\$210.03	\$3.08
Ontario***	\$226.42	\$0.68	\$208.37	-\$0.57	\$210.04	\$0.81	\$207.13	\$0.18
Québec (overall)	\$226.61	\$0.87	\$198.45	-\$10.49	\$203.47	-\$5.76	\$190.00	-\$16.95
Tyson (USD)	\$178.68	-\$47.06	\$165.77	-\$43.17	\$166.60	-\$42.63	\$165.37	-\$41.58
John Morrell (USD)	\$172.69	-\$53.04	\$159.23	-\$49.70	\$160.51	-\$48.72	\$164.96	-\$41.99

\* 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 hog margins strengthened on generally improved hog values and another significant reduction in feed costs. Canadian farrow-to-finish feed costs fell \$4.40/hog, while those in the monitored US region dropped \$5.70/hog from the previous week.

ML Sig 4 hog margins strengthened \$4.40 to \$7.30/hog losses, followed by those out of Hylife which improved \$3.80 to \$8.25/hog losses. OlyW 20 hog margins strengthened \$10.85 to nearly \$17/hog losses, while margins out of Ontario were up \$6.45 to \$17.45/hog losses. The OlyW 21 strengthened \$8 to \$23/hog losses while hog margins out of Quebec improved \$4.45 to \$34.85/hog losses. In the US, Tyson margins were up \$8.55 to \$1.60/hog losses while JM strengthened \$11.45 to \$0.30/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	12-May-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$212.86	\$166.38	\$41.45	\$22.05	\$229.88	-\$17.02
OlyW 21 (R2)/Alberta	\$206.95	\$166.38	\$41.45	\$22.05	\$229.88	-\$22.93
ML Sig 4/Manitoba	\$210.97	\$155.18	\$41.54	\$21.55	\$218.27	-\$7.30
Hylife/Manitoba	\$210.03	\$155.18	\$41.54	\$21.55	\$218.27	-\$8.24
Ontario	\$207.13	\$156.11	\$42.71	\$25.76	\$224.58	-\$17.45
Québec (overall)	\$190.00	\$158.68	\$42.50	\$23.65	\$224.83	-\$34.83
Tyson (USD)/Iowa	\$165.37	\$117.72	\$30.70	\$18.57	\$166.99	-\$1.62
John Morrell (USD)/ND	\$164.96	\$115.99	\$30.70	\$18.57	\$165.26	-\$0.30

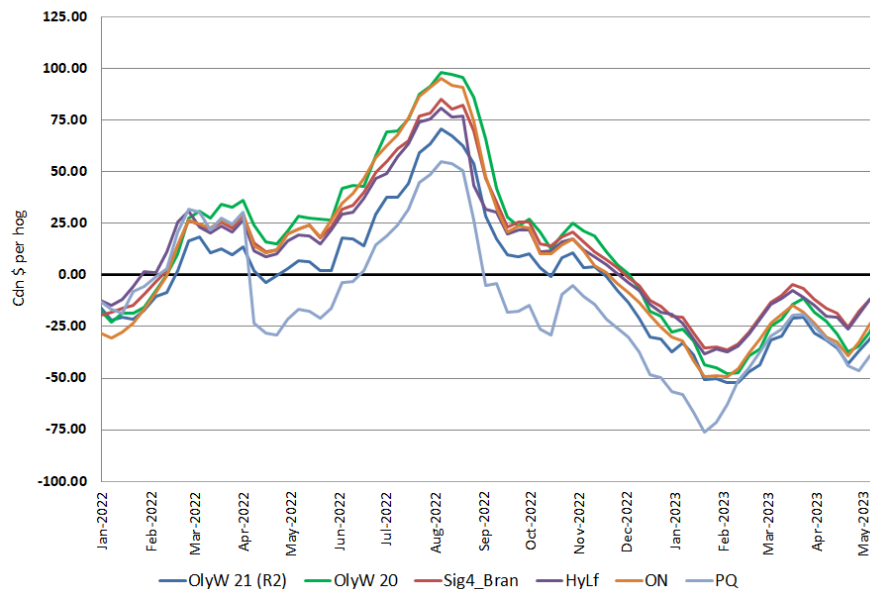
\* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: **-\$1.62** USD x 1.3456 = **-\$2.18** CAD  
 Morrell: **-\$0.30** USD x 1.3456 = **-\$0.40** CAD

## Canadian Margins 2022-2023



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