

May 2, 2023

Things to Consider....

US federally inspected hog slaughter was reported at 2,387 thousand head: down 67 thousand head or -2.7% from a week earlier, +0.9% over the same week last year and +1.6% over last year-to-date.

US sow slaughter for the week ending Apr 15th was up +8.9% or 4,800 head from the prior week to 58,100 head, which is +4.6% over last year but down -1.1% compared to last year-to-date.

US pork production declined -2.7% or 14.4 million pounds for the week, bringing overall production near even or +0.2% over last year and +1.0% compared to last year-to-date.

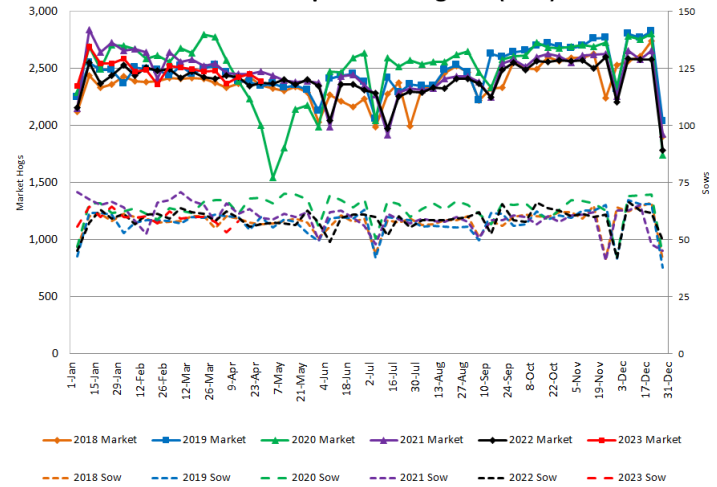
Weekly average barrow and gilt weights in the ISM reporting area for the week ending Apr 29th were reported at 285.9 lbs, down 1 lb or -0.3% from a week earlier and -0.9% under year-ago levels. Year-to-date, current hog weights are -0.6% under the same weeks in 2022.

Canadian federally inspected market hog slaughter for the week ending April 22nd at 419.2 thousand head rose 36.0 thousand or +9.4% on the week, and is +6.8% over a year earlier however year-to-date is -0.8% compared to the same weeks in 2022.

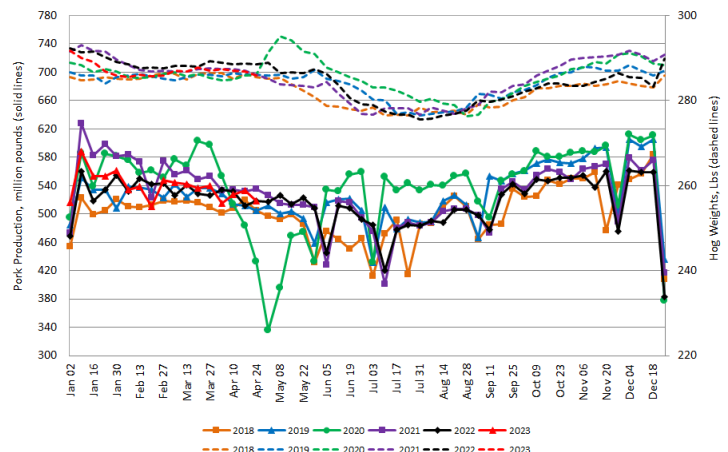
Canadian sow slaughter was reported at 1,842 head for the same week, dropping 117 head or -6.0% from the week previous. Compared to last year, current Canadian sow slaughter is up +2.0% from the same week last year and +10.8% over last year-to-date.

Canadian pork production numbers are estimates derived from current slaughter rates and an annual average Canadian slaughter hog weight. Based on the latest slaughter rates Canadian pork production for the week prior was up +9.3% or 3,956 MT, and is +8.3% over year-ago levels but -1.1% under last year-to-date.

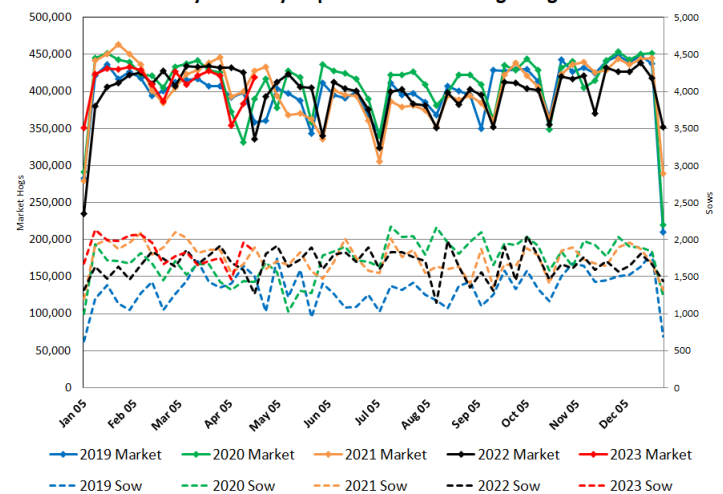
US Federal Inspected Slaughter ('000)



US Weekly Pork Production & Average Barrow and Gilt Weights



Weekly Federally Inspected Canadian Hog Slaughter



Weekly Hog Price Recap

Cash hogs finished higher with regional and national cash up significantly throughout the middle of the week. CME cash was also higher overall though was down lightly on the weekly average, recording modest daily moves. Wholesale pork values were recorded lower in the front-half of the week however notable improvements in the latter part helped US pork cutout finish \$0.73/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	28-Apr-23	Head	21-Apr-23		
ISM pm		\$71.57		\$68.38	\$3.20	4.7%
WCB pm		\$71.69		\$68.45	\$3.24	4.7%
Nat pm		\$69.26		\$67.44	\$1.82	2.7%
CME Index*		\$71.29		\$71.49	-\$0.20	-0.3%
Sows, 300-449lbs	11,936	\$26.47	11,615	\$33.58	-\$7.11	-21.2%
Sows, 500+ lbs	10,743	\$32.72	11,176	\$40.48	-\$7.76	-19.2%
BoC Exch		1.3596		1.3448	0.0148	1.1%

* Represents Friday-Thursday average

Monitored hog markets generally improved, excluding those derived from lagged base pricing. Hog values out of Quebec dropped \$6.75/hog, while BP4/TCP4 declined \$1.75/hog and the Oly 20 was down \$1.45/hog. The OlyW 21 was up \$1.30/hog, while hog values out of Ontario were up \$1.80/hog. Hylife hogs improved \$2.85/hog, while the ML Sig 4 rose \$3.10/hog. In the US, Tyson hogs were nearly unchanged, down \$0.05/hog, while JM dropped \$6.75/hog from the previous week.

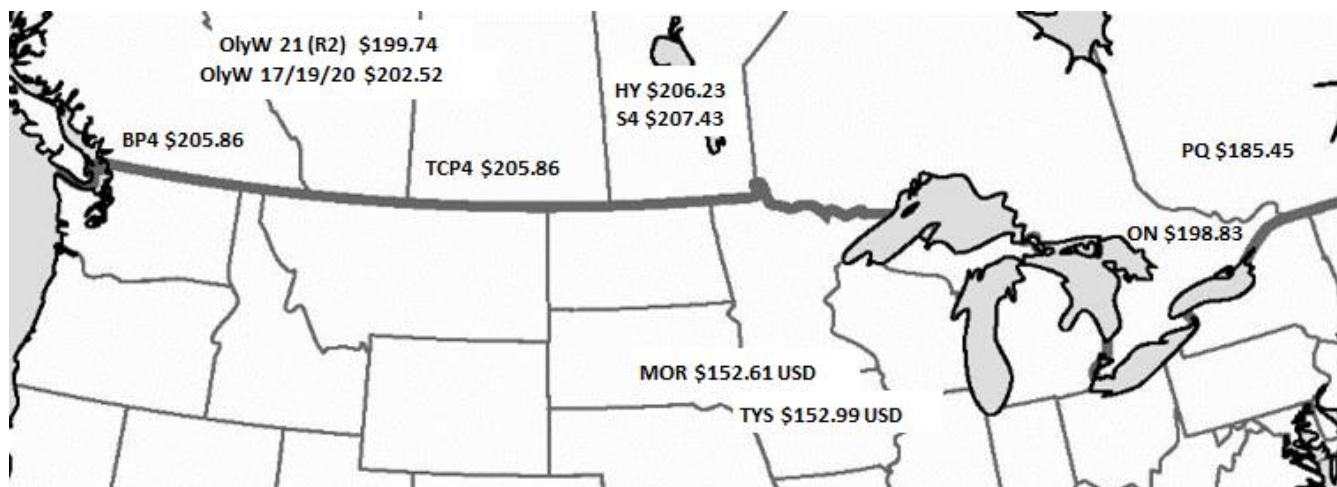
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 28-Apr-23	Difference to OlyW21
IPM (MMS 5.0)	\$229.28		\$220.87		\$220.19		\$215.83	
OlyW 2021 (R2)**	\$225.33		\$209.38		\$208.69		\$199.74	
OlyW 2020*	\$232.30	\$6.97	\$216.24	\$6.86	\$215.66	\$6.97	\$202.52	\$2.78
ML Sig 4	\$224.13	-\$1.20	\$214.51	\$5.13	\$214.84	\$6.14	\$207.43	\$7.69
BP4/TCP4	\$225.51	\$0.17	\$217.39	\$8.01	\$216.46	\$7.77	\$205.86	\$6.12
Hylife	\$227.40	\$2.07	\$212.53	\$3.15	\$212.98	\$4.29	\$206.23	\$6.49
Ontario***	\$225.50	\$0.17	\$208.64	-\$0.75	\$209.26	\$0.57	\$198.83	-\$0.91
Québec (overall)	\$226.17	\$0.83	\$199.44	-\$9.94	\$203.73	-\$4.96	\$185.45	-\$14.29
Tyson (USD)	\$177.74	-\$47.59	\$165.98	-\$43.40	\$166.39	-\$42.30	\$152.99	-\$46.74
John Morrell (USD)	\$171.61	-\$53.73	\$158.90	-\$50.48	\$160.10	-\$48.59	\$152.61	-\$47.13

* 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 generally improved on better hog values and a significant reduction in feed costs. Canadian farrow-to-finish feed costs dropped more than \$4.50/hog, while those in the monitored US region were down \$3.15/hog from the previous week.

ML Sig 4 hog margins strengthened \$7.70 to \$17.65/hog losses, followed by those out of Hylife which improved \$7.40 to \$18.85/hog losses. OlyW 20 hog margins were up \$3.15 to \$34.20/hog losses, while Ontario strengthened \$6.40 to \$32.55/hog losses and the OlyW 21 improved \$5.90 to \$37/hog losses. Hog margins out of Quebec weakened \$2.20 to \$46.20/hog losses. In the US, Tyson margins improved \$3.10 to \$21.40/hog losses while JM strengthened \$9.85 to near \$20/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	28-Apr-23				Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$202.52	\$173.21	\$41.45	\$22.05	\$236.71	-\$34.19
OlyW 21 (R2)/Alberta	\$199.74	\$173.21	\$41.45	\$22.05	\$236.71	-\$36.97
ML Sig 4/Manitoba	\$207.43	\$162.01	\$41.54	\$21.55	\$225.10	-\$17.67
Hylife/Manitoba	\$206.23	\$162.01	\$41.54	\$21.55	\$225.10	-\$18.87
Ontario	\$198.83	\$162.94	\$42.71	\$25.76	\$231.41	-\$32.58
Québec (overall)	\$185.45	\$165.51	\$42.50	\$23.65	\$231.66	-\$46.21
Tyson (USD)/Iowa	\$152.99	\$125.11	\$30.70	\$18.57	\$174.38	-\$21.39
John Morrell (USD)/ND	\$152.61	\$123.38	\$30.70	\$18.57	\$172.65	-\$20.04

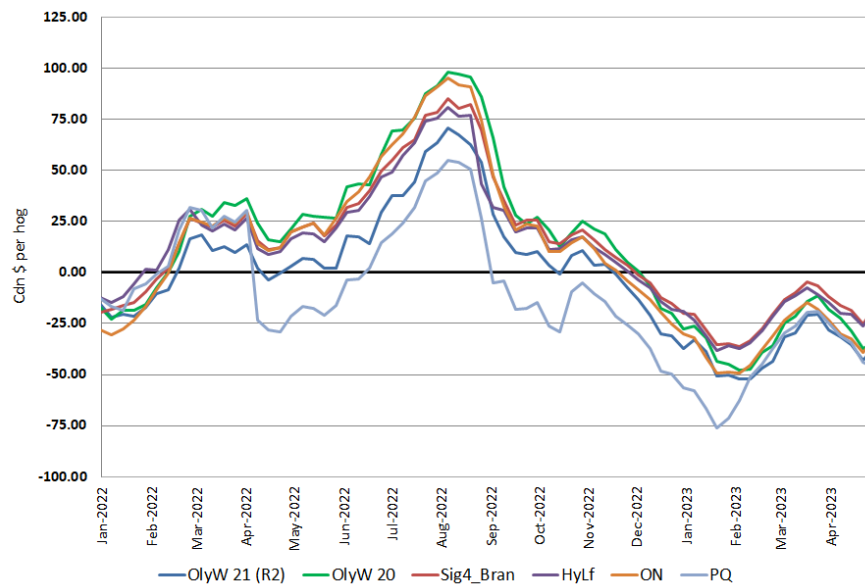
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: $-\$21.39 \text{ USD} \times 1.3618 = -\29.13 CAD
 Morrell: $-\$20.04 \text{ USD} \times 1.3618 = -\27.29 CAD

Canadian Margins 2022-2023



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