

Weekly Regional HOG PRICE Report



Things to Consider.... May 9, 2023

The latest monthly US livestock and meat trade data recorded a surge in pork exports for the month of March as most major destinations reported increases. The latest US pork exports totalled 608.1 million pounds, jumping 103.9m pounds from Feb, up 64.0m pounds over a year earlier and 127.5m pounds over last year-to-date.

A large increase in pork exports to Mexico accounted for nearly half of the month-over-month rise, up 45.9m pounds from last reported and 21.2m pounds over a year earlier. Exports to South Korea rose 19.6m pounds on the month and 13.4m pounds over last year, while Japan was up 13.9m pounds for March and 4.5m pounds over March 2022, and pork to Canada increased 11.4m pounds on the month and is 2.6m pounds over a year earlier. US pork to the Dominican Republic rose 6.5m on the month and is 15.6m pounds over last year, while pork to Australia increased 4.3m pounds for March and 5.4m lbs over a year earlier.

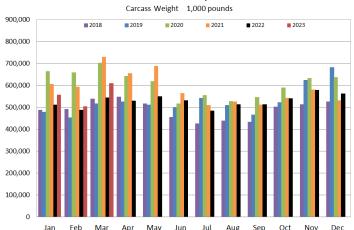
US pork exports to destinations such as China & Hong Kong, the Philippines and Colombia reported decreased amounts. US pork to mainland China slipped 378 thousand pounds while Hong Kong fell 561 thousand pounds for March, bringing China* (including Hong Kong & Taiwan) overall 1.0m pounds lower on the month however up 3.8m pounds over last year. US pork to the Philippines fell 1.0m pounds for March and is 186 thousand pounds under a year earlier, while Colombia declined 882 thousand pounds on the month and is 3.0m pounds under last year.

Total US pork imports in March rose 6.4m pounds or +7.0% from previously reported, bringing the latest imports 35.1m pounds or -26.4% under the strong levels recorded in 2022. Pork imports from Canada into the US were up 1.3m pounds for March and 18.9m pounds under a year earlier, while pork from Mexico increased 1.1m pounds from last reported bringing imports from Mexico 4.0m under last year. Notably, the US imported 12.5m pounds more pork from Canada than it exported to the country in March.

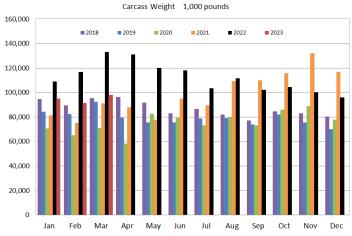
US Pork Exports	(carcass weight, 1,000 pounds)						
Top 7 Countries	Mar-22	Feb-23	Mar-23	M/M%	Y/Y%	YTD/LYTD%	
Australia	8,542	9,659	13,931	44.2%	63.1%	18.7%	
Canada	49,903	41,136	52,535	27.7%	5.3%	11.2%	
China*	44,392	49,169	48,154	-2.1%	8.5%	19.7%	
Colombia	22,629	20,561	19,679	-4.3%	-13.0%	-0.4%	
Japan	98,083	88,662	102,557	15.7%	4.6%	0.8%	
Mexico	203,522	178,923	224,770	25.6%	10.4%	4.9%	
South Korea	44,762	38,479	58,113	51.0%	29.8%	3.5%	
All US Pork Exports	544,170	504,226	608,121	20.6%	11.8%	8.3%	

*Includes Mainland, Hong Kong & Taiwan

Total US Pork Exports



Total US Pork Imports



Weekly Hog Price Recap

Cash hogs finished higher with regional cash recording more moderate moves though was up much of the week while national cash improved early on though declined the latter half of the week. Alternatively, CME cash climbed daily with significant rises reported mid-week. Wholesale pork values varied daily however most primals averaged above the previous week, excluding ribs, with US pork cutout up \$1.80/cwt from the previous week's average.

USD		Wee				
Cash Price	Head	05-May-23	Head	28-Apr-23	w/w	% Chg
ISM pm		\$75.09		\$71.57	\$3.52	4.9%
WCB pm		\$74.85		\$71.69	\$3.17	4.4%
Nat pm		\$72.59		\$69.26	\$3.33	4.8%
CME Index*		\$73.53		\$71.29	\$2.24	3.1%
Sows, 300-449lbs	9,054	\$22.55	11,936	\$26.47	-\$3.92	-14.8%
Sows, 500+ lbs	8,545	\$27.60	10,743	\$32.72	-\$5.12	-15.6%
BoC Exch		1.3555		1.3596	-0.0041	-0.3%

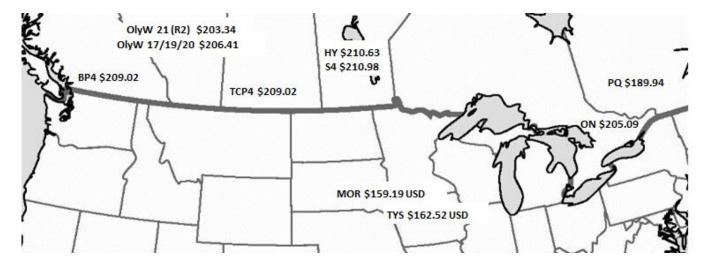
^{*} Represents Friday-Thursday average

Monitored Canadian hog markets improved \$3-\$6 per hog. Hog values out of Ontario were up the most on the week, rising \$6.25/hog, followed by those out of Quebec and Hylife which were each up around \$4.50/hog. The OlyW 20 improved shy of \$4/hog, while the OlyW 21 and ML Sig 4 were each up closer to \$3.50/hog and BP4/TC4 was up \$3.15/hog. In the US, Tyson hogs surged \$9.50/hog, while JM rose \$6.60/hog from last week.

Regional Pricing, \$/hog									
		Difference	2023	Difference	Last	Difference	Ending	Difference	
Packer/Region	3 Year	to OlyW21	YTD AVG	to OlyW21	13 weeks	to OlyW21	05-May-23	to OlyW21	
IPM (MMS 5.0)	\$229.77		\$220.72		\$220.22		\$218.73		
OlyW 2021 (R2)**	\$225.53		\$209.05		\$208.83		\$203.34		
OlyW 2020*	\$232.68	\$7.15	\$215.69	\$6.65	\$215.71	\$6.88	\$206.41	\$3.07	
ML Sig 4	\$224.53	-\$1.00	\$214.32	\$5.27	\$215.24	\$6.41	\$210.98	\$7.64	
BP4/TCP4	\$225.93	\$0.41	\$216.93	\$7.88	\$216.60	\$7.77	\$209.02	\$5.68	
Hylife	\$227.30	\$1.77	\$212.42	\$3.38	\$213.43	\$4.60	\$210.63	\$7.28	
Ontario***	\$225.96	\$0.43	\$208.44	-\$0.61	\$209.72	\$0.89	\$205.09	\$1.74	
Québec (overall)	\$226.48	\$0.96	\$198.91	-\$10.13	\$204.04	-\$4.78	\$189.94	-\$13.40	
Tyson (USD)	\$178.16	-\$47.36	\$165.79	-\$43.26	\$166.55	-\$42.28	\$162.52	-\$40.82	
John Morrell (USD)	\$172.14	-\$53.39	\$158.92	-\$50.13	\$160.44	-\$48.39	\$159.19	-\$44.15	

^{* 3} Year average uses actual OlyW'20 ONLY for respective weeks. Starting Jan 2020 prices includes \$0.06 per kg proximity bonus

To Note: OlyW and BP4/TCP4 are nearly a full 1 week lag to Sig 4, Hylife, Ontario & Quebec



^{** 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

Weekly Hog Margins

Monitored hog margins strengthened on improved hog values and another significant reduction in feed costs. Canadian farrow-to-finish feed costs fell around \$2.50/hog, while those in the monitored US region were down \$1.70/hog from the previous week.

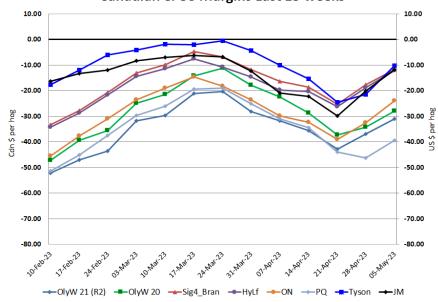
ML Sig 4 hog margins strengthened \$6 to \$11.70/hog losses, followed by those out of Hylife which improved \$6.85 to \$12/hog losses. Ontario hog margins strengthened \$8.70 to nearly \$24/hog losses, while the OlyW 20 was up \$6.30 to \$27.85/hog losses. The OlyW 21 improved \$6 to \$31/hog losses while hog margins out of Quebec strengthened \$7 to \$39.25/hog losses. In the US, Tyson margins strengthened significantly improving \$11.25 to \$10.15/hog losses while JM was up \$8.25 to \$11.75/hog losses for the week.

Regional MARGINS, \$/hog								
	05-May-23	Farrow to Finish			Total	Weekly		
Packer/Region	Hog Price	Feed*	Variable	Fixed	COP	Margin		
OlyW 20/Alberta	\$206.41	\$170.77	\$41.45	\$22.05	\$234.27	-\$27.86		
OlyW 21 (R2)/Alberta	\$203.34	\$170.77	\$41.45	\$22.05	\$234.27	-\$30.93		
ML Sig 4/Manitoba	\$210.98	\$159.57	\$41.54	\$21.55	\$222.66	-\$11.68		
Hylife/Manitoba	\$210.63	\$159.57	\$41.54	\$21.55	\$222.66	-\$12.03		
Ontario	\$205.09	\$160.50	\$42.71	\$25.76	\$228.97	-\$23.88		
Québec (overall)	\$189.94	\$163.07	\$42.50	\$23.65	\$229.22	-\$39.28		
Tyson (USD)/Iowa	\$162.52	\$123.42	\$30.70	\$18.57	\$172.69	-\$10.17		
John Morrell (USD)/ND	\$159.19	\$121.69	\$30.70	\$18.57	\$170.96	-\$11.77		

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

Tyson: -\$10.17 USD x 1.339 = -\$13.62 CAD Morrell: -\$11.77 USD x 1.339 = -\$15.76 CAD

Canadian & US Margins Last 13 weeks



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

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