



# Weekly Regional HOG PRICE Report



## Things to Consider....

June 20, 2023

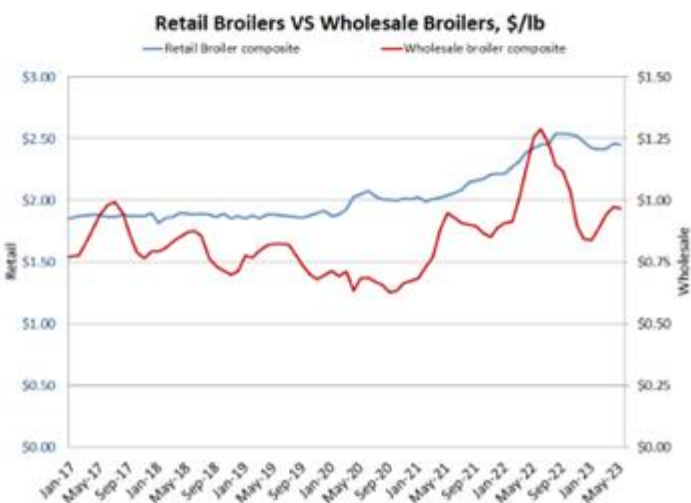
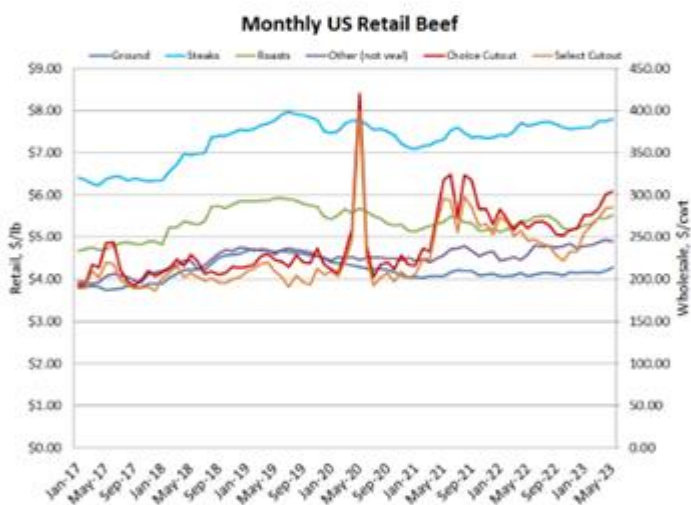
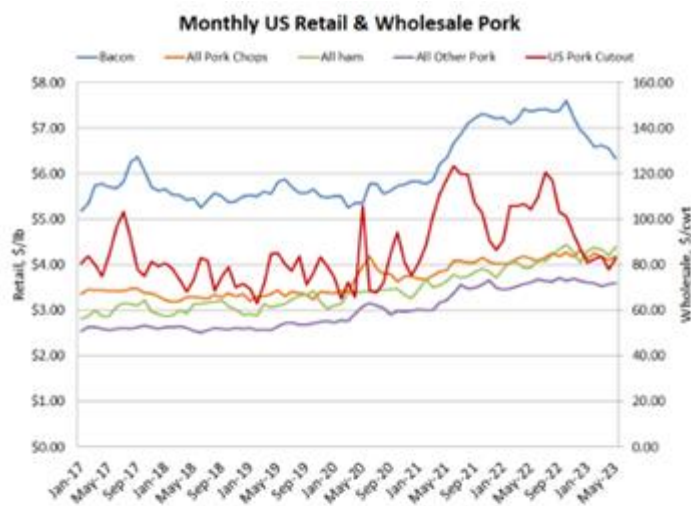
US retail pork prices for the month of May were generally higher on the month, though mixed compared to a year earlier. Chops were +2.2% to \$4.19/lb which is +1.4% over May 2022, while all hams rose +4.4% from a month earlier to \$4.40/lb and is +11.6% over year-ago levels. Other pork edged +0.4% higher in the latest data to \$3.60/lb which is -0.3% under last year, while bacon prices fell -3.2% to \$6.34/lb for the month and is -13.9% under year-ago prices.

Monthly wholesale pork values rose overall in May. US pork cutout at \$82.63/cwt rose +5.8% from April levels, bringing cutout -20.9% under strong year-ago levels. Wholesale butts and hams were up the most from April values while bellies were the only primal recorded lower than the month previous. Compared to last year, most primals are significantly lower excluding butts which are up +8.5%.

Monthly US retail beef prices were primarily higher in May: Uncooked ground increased +2.1% to \$5.36/lb which is +0.4% over last year, roasts were up +3.8% to \$7.06/lb bringing them +1.9% over May 2022, and steaks increased +2.7% to \$10.22/lb (the second highest historically behind Nov'21 at \$10.23/lb) which is +5.5% over last year. All other beef (not veal) declined -1.4% to \$6.47/lb which is -2.0% under year-ago prices.

Wholesale beef values overall increased during the same period, excluding ribs and briskets. Choice cutout climbed +1.3% in May to \$304.40/cwt and is +16.9% over a year earlier, while select cutout edged +0.4% higher on the month to \$285.39/cwt and is +16.3% over last year.

US retail broiler prices slipped -0.3% to \$2.45/lb for May, bringing them +1.3% over year-ago prices. Wholesale broiler values declined -0.5% on the month to \$0.97/lb which is -23.1% under 2022, with May and June 2022 representing historically high broiler values.



# Weekly Hog Price Recap

Cash hogs again improved much of the week however recorded some late week declines, with national cash reporting greater moves compared to regional cash. CME cash improved daily, up the most mid-to-late week. Most wholesale pork primal values were notable higher, excluding hams which slipped -1.5% on the week, with overall rises supporting US pork cutout \$3.48/cwt over the previous week's average.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	16-Jun-23	Head	09-Jun-23		
ISM pm		\$93.00		\$92.17	\$0.83	0.9%
WCB pm		\$92.78		\$91.98	\$0.80	0.9%
Nat pm		\$92.02		\$90.03	\$1.98	2.2%
CME Index*		\$86.18		\$82.84	\$3.34	4.0%
Sows, 300-449lbs	11,804	\$24.53	12,537	\$19.54	\$4.99	25.6%
Sows, 500+ lbs	13,799	\$29.30	13,813	\$24.66	\$4.64	18.8%
BoC Exch		1.3285		1.3386	-0.0101	-0.8%

\* Represents Friday-Thursday average

Monitored Canadian hog markets were generally \$3-\$7 per hog higher on the week. Hog values out of Ontario were up the strongest, rising \$7.35/hog, followed by those off the OlyW 20 which were up \$7.10/hog. Hylife hogs improved \$5/hog and the ML Sig 4 was up \$4.85/hog, while hog values out of Quebec and BP4/TC4 were each up around \$3.65/hog and the OlyW 21 improved \$3.20/hog. In the US, Tyson hogs rose \$6/hog, while JM climbed \$1.65/hog higher the previous week.

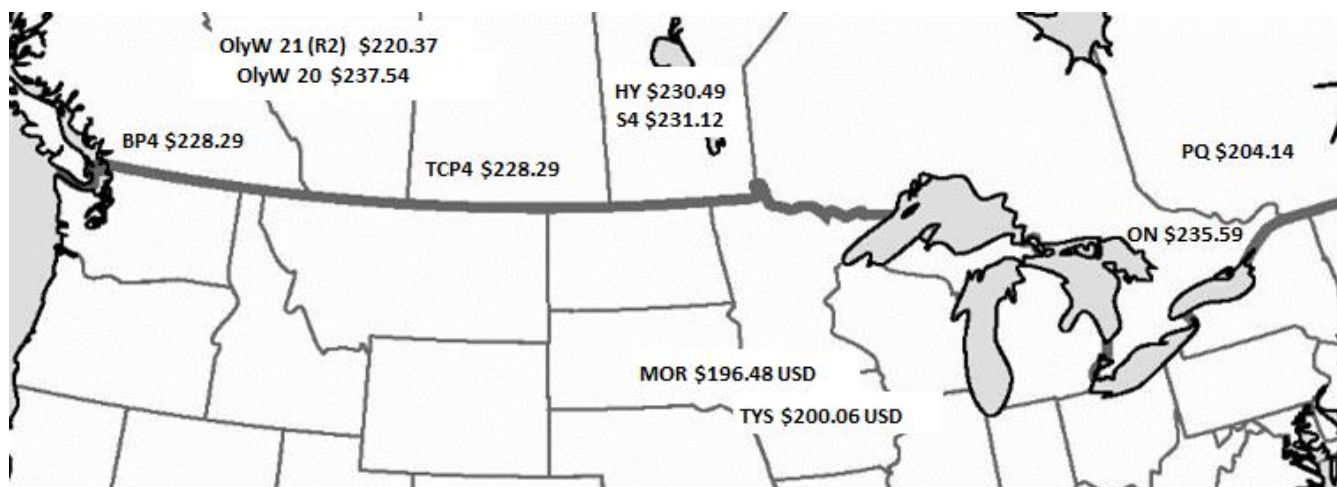
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 16-Jun-23	Difference to OlyW21
IPM (MMS 5.0)	\$229.49		\$221.41		\$219.09		\$229.51	
OlyW 2021 (R2)**	\$225.55		\$210.18		\$209.55		\$220.37	
OlyW 2020*	\$234.21	\$8.66	\$218.00	\$7.83	\$218.42	\$8.86	\$237.54	\$17.17
ML Sig 4	\$226.06	\$0.50	\$216.27	\$6.09	\$216.37	\$6.82	\$231.12	\$10.75
BP4/TCP4	\$227.37	\$1.82	\$217.85	\$7.68	\$217.98	\$8.43	\$228.29	\$7.92
Hylife	\$227.30	\$1.75	\$214.51	\$4.33	\$214.61	\$5.06	\$230.49	\$10.12
Ontario***	\$227.87	\$2.31	\$211.86	\$1.68	\$212.71	\$3.16	\$235.59	\$15.22
Québec (overall)	\$225.06	-\$0.49	\$198.41	-\$11.77	\$198.19	-\$11.37	\$204.14	-\$16.23
Tyson (USD)	\$181.67	-\$43.88	\$170.34	-\$39.84	\$172.31	-\$37.24	\$200.06	-\$20.31
John Morrell (USD)	\$176.02	-\$49.53	\$165.18	-\$45.00	\$168.48	-\$41.07	\$196.48	-\$23.89

\* 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 due to improved hog and pork values, tempered in part by a moderate rise in feed costs. Canadian farrow-to-finish feed costs rose \$1.70/hog, while those in the monitored US region were up \$1.20/hog from the previous week.

ML Sig 4 and Hylife hog margins each improved near \$3.20 to \$13.70 and \$13 per hog profits respectively, followed by those out of Ontario which strengthened \$5.65 to \$11.85/hog profits. Hog margins out of the OlyW 20 improved \$5.45 to \$8.50/hog profits, while OlyW 21 margins recovered \$1.50 to \$8.70/hog losses and Quebec improved \$2 to \$19.85/hog losses. In the US, Tyson strengthened \$4.85 to \$35/hog profits while JM edged \$0.45 higher to \$33.10/hog profits for the week.

Regional MARGINS, \$/hog						
Packer/Region	16-Jun-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$237.54	\$165.55	\$41.45	\$22.05	\$229.05	\$8.49
OlyW 21 (R2)/Alberta	\$220.37	\$165.55	\$41.45	\$22.05	\$229.05	-\$8.68
ML Sig 4/Manitoba	\$231.12	\$154.35	\$41.54	\$21.55	\$217.44	\$13.68
Hylife/Manitoba	\$230.49	\$154.35	\$41.54	\$21.55	\$217.44	\$13.05
Ontario	\$235.59	\$155.28	\$42.71	\$25.76	\$223.75	\$11.84
Québec (overall)	\$204.14	\$157.85	\$42.50	\$23.65	\$224.00	-\$19.86
Tyson (USD)/Iowa	\$200.06	\$115.84	\$30.70	\$18.57	\$165.11	\$34.95
John Morrell (USD)/ND	\$196.48	\$114.11	\$30.70	\$18.57	\$163.38	\$33.10

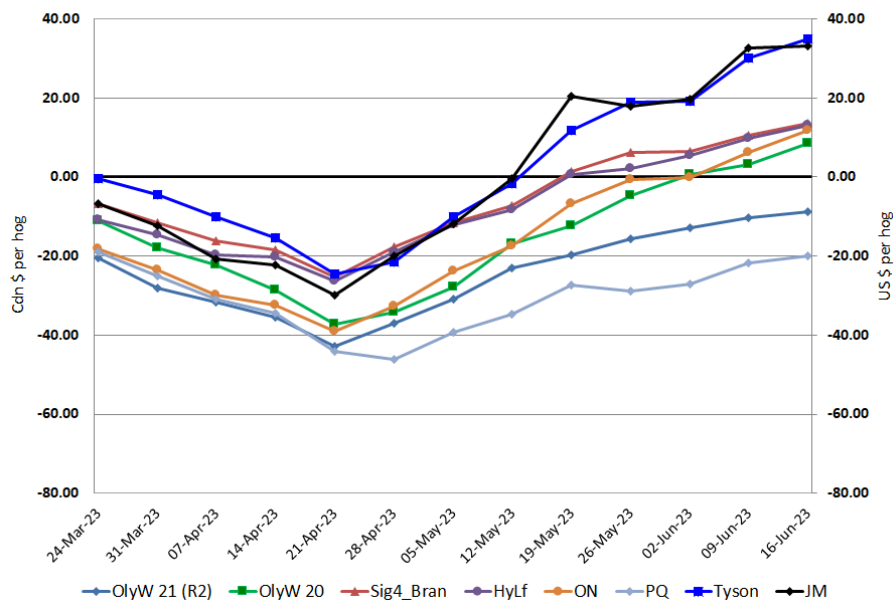
\* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$34.95 USD x 1.3241 = \$46.28 CAD  
 Morrell: \$33.10 USD x 1.3241 = \$43.83 CAD

Canadian & US Margins Last 13 weeks



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