



# Weekly Regional HOG PRICE Report



## Things to Consider....

August 15, 2023

The latest monthly US livestock and meat trade data recorded a decrease in US pork exports, with the latest tally reported at 583.9 million pounds which was down 34.2m pounds from May and 52.8m pounds over a year earlier. Compared to last year-to-date, US pork exports for 2023 so far are up 301.6m pounds or +9.6% compared to the same months in 2022.

US pork exports to Mexico recorded yet again the largest month-over-month change, dropping 30.5m pounds for June but is 19.5m pounds over last year. Exports to South Korea also recorded a significant decline from last reported, down 20.4m pounds for June and is 5.3m pounds under the same month in 2022. US Pork to Honduras fell 5.6m pounds and is 1.0m pounds under last year, while the Dominican Republic was down 5.5m pounds on the month and is 5.3m pounds under 2022. US pork to Australia declined 4.5m pounds from May but is 9.9m pounds over a year earlier, and accounts for nearly 4% of the overall monthly US pork exports compared to their 12-month average of 2%.

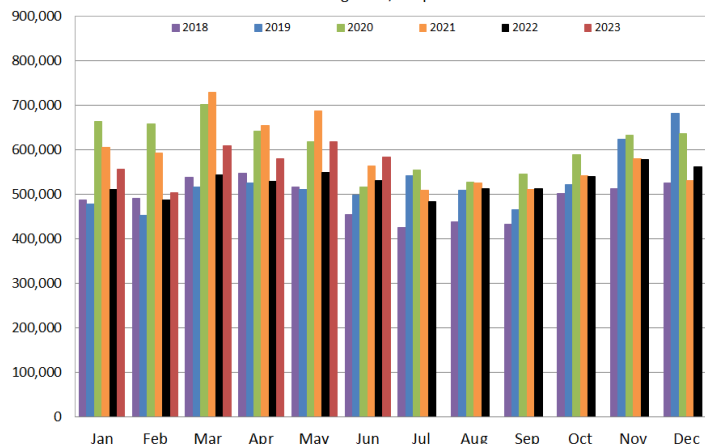
Offsetting some of the earlier mentioned declines were increases to destinations such as Colombia, the Philippines and Japan. US pork to Colombia jumped 8.3m pounds for June but is 6.8m pounds under last year, while the Philippines rose 7.5m pounds in the latest data to bring them 6.2m pounds over 2022, and Japan was up 6.5m pounds for June and is 7.2m over last year. US pork to mainland China climbed 1.4m pounds and Taiwan rose 2.1m pounds while Hong Kong slipped very modestly from May, bringing China\* (including Hong Kong & Taiwan) overall 3.4m pounds higher on the month and up 12.5m pounds over last year. US pork to Canada climbed 1.4m pounds in June and is 4.2m pounds over last year, bringing 2023 year-to-date 19.8m over the same months in 2022. For comparison, the US imported 20.6m pounds more pork from Canada than it exported to the country in the month of June.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Jun-22	May-23	Jun-23	M/M%	Y/Y%	YTD/LYTD%
Australia	12,915	27,247	22,792	-16.4%	76.5%	62.5%
Canada	38,820	41,601	43,033	3.4%	10.9%	8.1%
China*	53,387	62,515	65,890	5.4%	23.4%	24.0%
Colombia	32,144	17,094	25,381	48.5%	-21.0%	-20.4%
Japan	95,505	96,231	102,749	6.8%	7.6%	0.8%
Mexico	177,571	227,575	197,042	-13.4%	11.0%	7.9%
South Korea	50,571	65,672	45,247	-31.1%	-10.5%	11.3%
<b>All US Pork Exports</b>	<b>531,104</b>	<b>618,147</b>	<b>583,907</b>	<b>-5.5%</b>	<b>9.9%</b>	<b>9.6%</b>

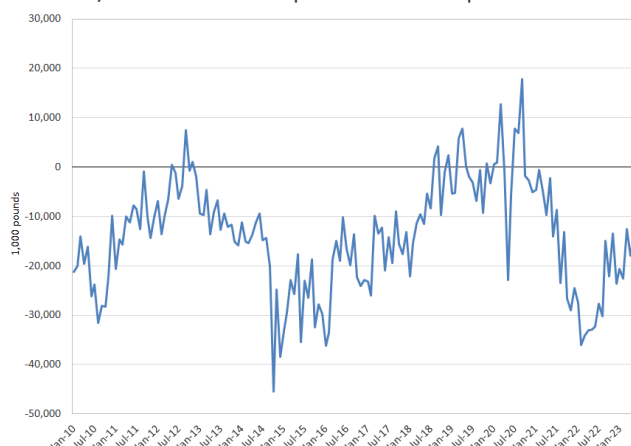
\*Includes Mainland, Hong Kong & Taiwan

## Total US Pork Exports

Carcass Weight 1,000 pounds



## US/CAN Net Trade: US Pork Exports To Less US Pork Imports From Canada



# Weekly Hog Price Recap

Cash hogs varied during the week however down days were significantly lower, with regional cash unreported Monday and also recorded a day less of improvements compared to national cash. CME cash declined daily on generally steady moves, except Friday which was down more notably. Most wholesale pork primal values declined except hams which improved a modest +0.3% and ribs which were unchanged, weighing US pork cutout \$2.76/cwt under than the week previous.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	11-Aug-23	Head	04-Aug-23		
ISM pm		\$97.60		\$102.80	-\$5.21	-5.1%
WCB pm		\$97.50		\$102.37	-\$4.87	-4.8%
Nat pm		\$97.63		\$101.56	-\$3.93	-3.9%
CME Index*		\$104.19		\$105.81	-\$1.62	-1.5%
Sows, 300-449lbs	12,626	\$60.08	11,875	\$53.86	\$6.22	11.5%
Sows, 500+ lbs	12,855	\$65.84	13,685	\$59.63	\$6.20	10.4%
BoC Exch		1.3435		1.3302	0.0133	1.0%

\* Represents Friday-Thursday average

Monitored Canadian hog markets were mixed on the week, with lagged-base pricing markets higher while most others were lower. BP4/TCP4 rose \$3.50/hog while the OlyW 21 was up \$2.20/hog, and hog values out of the OlyW 20 was up \$0.55/hog while Quebec climbed \$0.35/hog higher. Ontario hogs dropped \$2.40/hog, while Hylife fell \$1.50 and the ML Sig 4 edged \$0.15/hog lower than last reported. In the US, Tyson hogs declined \$2.40/hog while JM dropped more than \$10/hog from the previous week.

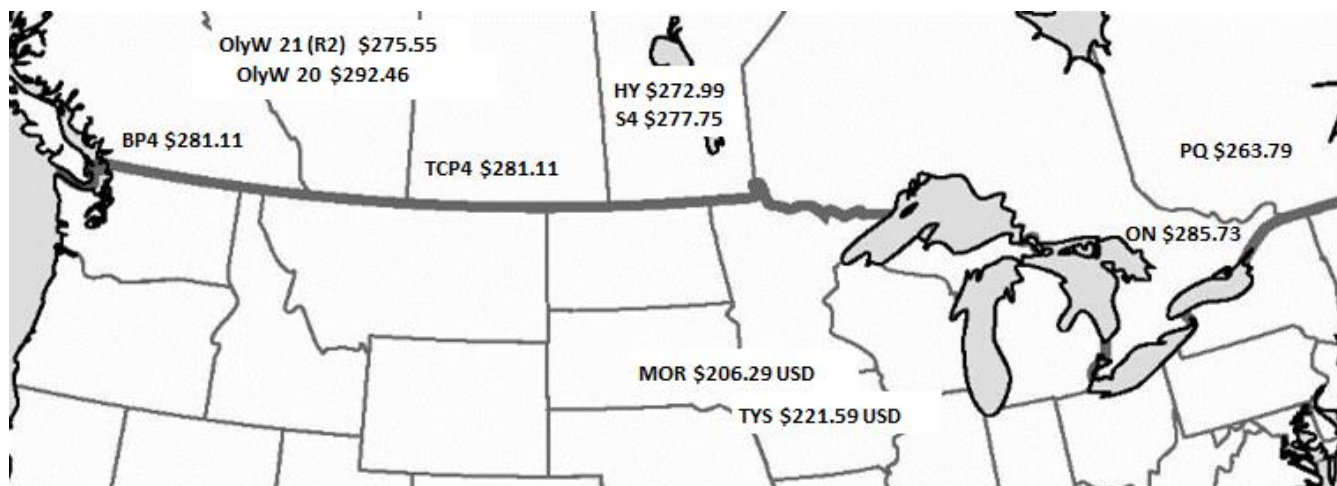
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 11-Aug-23	Difference to OlyW21
IPM (MMS 5.0)	\$234.49		\$231.73		\$247.88		\$270.52	
OlyW 2021 (R2)**	\$229.60		\$221.62		\$240.15		\$275.55	
OlyW 2020*	\$240.50	\$10.90	\$231.57	\$9.96	\$255.00	\$14.85	\$292.46	\$16.90
ML Sig 4	\$231.30	\$1.70	\$227.71	\$6.10	\$247.54	\$7.40	\$277.75	\$2.19
BP4/TCP4	\$231.97	\$2.37	\$228.12	\$6.50	\$244.80	\$4.65	\$281.11	\$5.56
Hylife	\$232.10	\$2.50	\$226.07	\$4.45	\$246.19	\$6.05	\$272.99	-\$2.56
Ontario***	\$234.75	\$5.15	\$226.56	\$4.95	\$253.15	\$13.01	\$285.73	\$10.17
Québec (overall)	\$228.79	-\$0.81	\$210.64	-\$10.97	\$228.47	-\$11.67	\$263.79	-\$11.77
Tyson (USD)	\$188.59	-\$41.01	\$181.31	-\$40.30	\$204.03	-\$36.11	\$221.59	-\$53.97
John Morrell (USD)	\$183.25	-\$46.35	\$176.63	-\$44.99	\$202.05	-\$38.09	\$206.29	-\$69.26

\* 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 were mixed from the previous week due to varied moves in hog values, however received modest support from a decline in feed costs. Canadian farrow-to-finish feed edged \$0.35/hog lower while those in the monitored US region declined closer to \$0.70/hog from the previous week.

Hog margins out of the OlyW 20 strengthened \$0.90 to \$69.30/hog profits, followed by those out of Ontario which weakened \$2.05 to \$67.90/hog profits. ML Sig 4 margins edged up \$0.20 to \$66.25/hog profits, while Hylife margins fell \$1.15 to \$61.50/hog profits. OlyW 21 hog margins strengthened \$2.55 to \$52.40/hog profits, while margins out of Quebec improved \$0.70 to \$45.70/hog profits. In the US, Tyson margins declined \$1.70 to \$63.65/hog profits while JM weakened \$9.45 to \$50/hog profits for the week.

Regional MARGINS, \$/hog						
Packer/Region	Farrow to Finish				Total COP	Weekly Margin
	11-Aug-23 Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$292.46	\$159.63	\$41.45	\$22.05	\$223.13	\$69.33
OlyW 21 (R2)/Alberta	\$275.55	\$159.63	\$41.45	\$22.05	\$223.13	\$52.42
ML Sig 4/Manitoba	\$277.75	\$148.43	\$41.54	\$21.55	\$211.52	\$66.23
Hylife/Manitoba	\$272.99	\$148.43	\$41.54	\$21.55	\$211.52	\$61.47
Ontario	\$285.73	\$149.36	\$42.71	\$25.76	\$217.83	\$67.90
Québec (overall)	\$263.79	\$151.93	\$42.50	\$23.65	\$218.08	\$45.71
Tyson (USD)/Iowa	\$221.59	\$108.68	\$30.70	\$18.57	\$157.95	\$63.64
John Morrell (USD)/ND	\$206.29	\$106.95	\$30.70	\$18.57	\$156.22	\$50.07

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

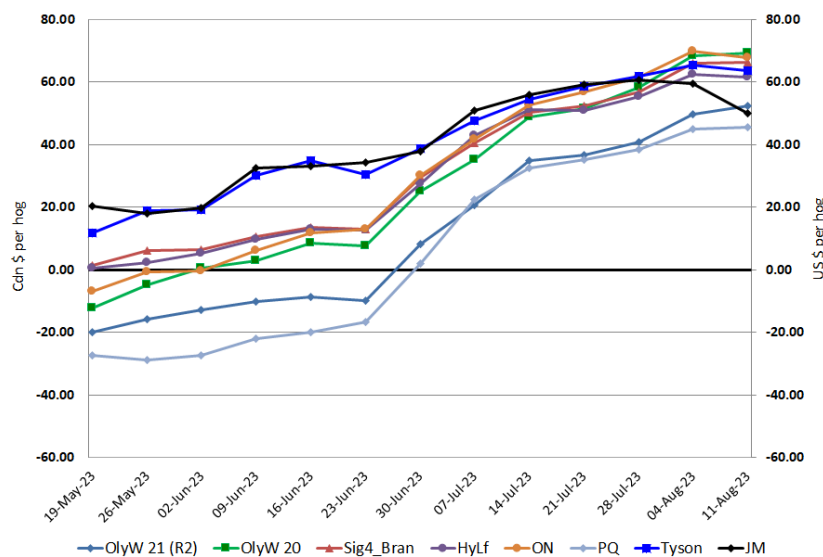
\* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: \$63.64 USD x 1.3482 = \$85.80 CAD

Morrell: \$50.07 USD x 1.3482 = \$67.50 CAD

Canadian & US Margins Last 13 weeks



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