



Weekly Regional HOG PRICE Report



Things to Consider....

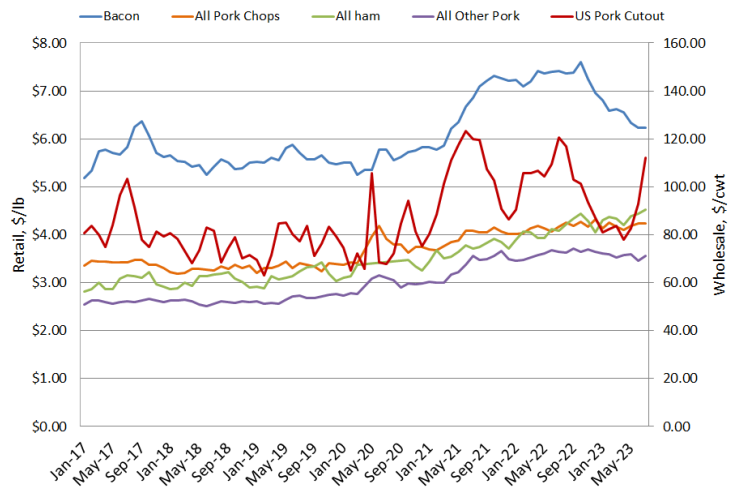
August 29, 2023

US retail pork prices for July were generally higher compared to a month earlier, however varied compared to the year previous. Bacon prices edged +0.2% to \$6.24/lb which is -15.9% under last year, while hams were up +2.0% in the latest data to \$4.53/lb and is +11.0% over July 2022, while all other pork prices improved +2.8% to \$3.56/lb for the month however is -2.4% under last year. All chops slipped -0.1% from July to \$4.24/lb though is +1.5% over year-ago prices. Monthly wholesale pork values also rose overall in July. US pork cutout at \$112.17/cwt jumped +21.0% on the month though is -7.0% under year-ago values. Wholesale bellies were up the most, surging +91.3% for July though is -0.6% under 2022, hams rose +17.9% on the month but is -8.3% under last year, while picnics rose +10.8% from the previous month and is +0.6% over last year. Ribs slipped -2.8% from June values and is -24.2% under 2022, while butts fell -12.7% on the month and is -20.3% under a year earlier.

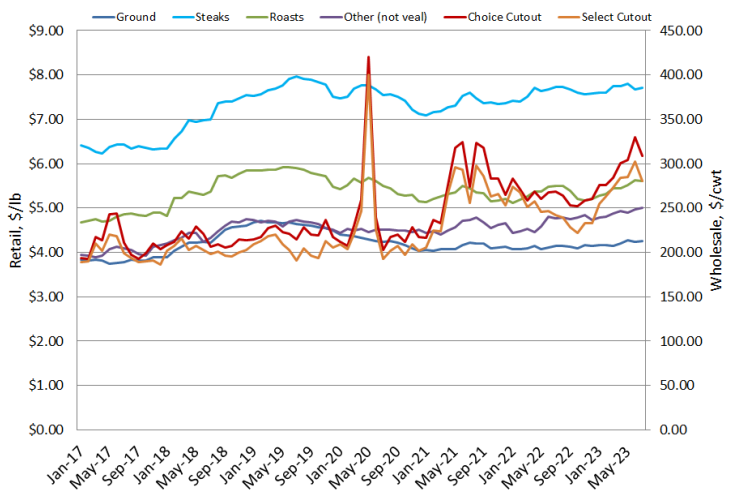
Monthly US retail beef prices continue to climb higher: Uncooked ground increased +1.9% to \$5.54/lb which is +2.0% over last year, roasts were up +2.6% to \$7.20/lb bringing them +6.8% over July 2022, and steaks increased +2.6% to \$10.63/lb (a new historical high behind Nov'21 at \$10.23/lb & Jun'23 at 10.36/lb) which is +9.5% over last year. All other beef (not veal) rose +4.0% higher to \$6.77/lb however is -0.5% under year-ago prices. Wholesale beef values overall declined from June into July, excluding a modest improvement in flanks. Choice cutout was down -6.5% in July to \$308.82/cwt however is +15.1% over a year earlier, while select cutout fell -7.1% on the month to \$280.61/cwt and is +15.9% over last year.

US retail broiler prices at \$2.50/lb for July dipped -0.1% from June and is +2.0% over a year earlier. Wholesale broiler values declined -3.3% on the month to \$0.92/lb which is -25.6% under 2022, however it's worth noting that wholesale broiler values were at historically high values with June 2022 at 1.29/lb representing the historical high.

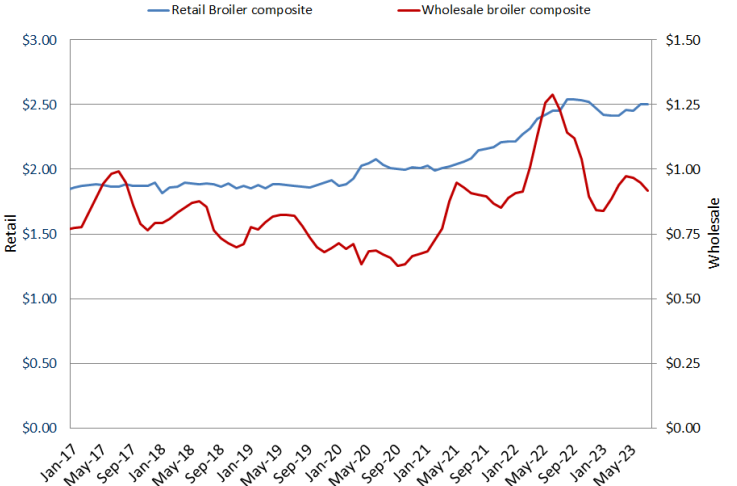
Monthly US Retail & Wholesale Pork



Monthly US Retail & Wholesale Beef



Retail Broilers VS Wholesale Broilers, \$/lb



Weekly Hog Price Recap

Cash hogs declined significantly, with national cash down daily while regional cash was recorded higher or unrecorded Monday though fell throughout the rest of the week. CME cash also fell daily, recording larger declines late-week. Most wholesale pork primal values fell again this past the week, except butts which improved 5.6%, with overall declines weighing US pork cutout \$6.19/cwt under the week previous.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	25-Aug-23	Head	18-Aug-23		
ISM pm		\$88.22		\$94.37	-\$6.15	-6.5%
WCB pm		\$88.75		\$93.89	-\$5.14	-5.5%
Nat pm		\$88.42		\$94.26	-\$5.84	-6.2%
CME Index*		\$97.16		\$101.09	-\$3.93	-3.9%
Sows, 300-449lbs	12,603	\$61.19	13,119	\$63.85	-\$2.66	-4.2%
Sows, 500+ lbs	12,668	\$69.12	12,714	\$69.90	-\$0.78	-1.1%
BoC Exch		1.3563		1.3507	0.0056	0.4%

* Represents Friday-Thursday average

Monitored Canadian hog markets generally dropped \$8-\$10/hog lower on the week, with exception to BP4/TCP4 which was down \$6/hog due to it's 1-week lagged base pricing. The OlyW 21 fell \$8/hog and the OlyW 20 was down \$8.75/hog from a week earlier. Hog values out of Quebec as well as the ML Sig 4 each declined \$9.55/hog, while Hylife fell \$9.85/hog and Ontario was down more than \$10/hog. In the US, Tyson hogs fell \$10.45/hog while JM dropped \$10.70/hog from the previous week.

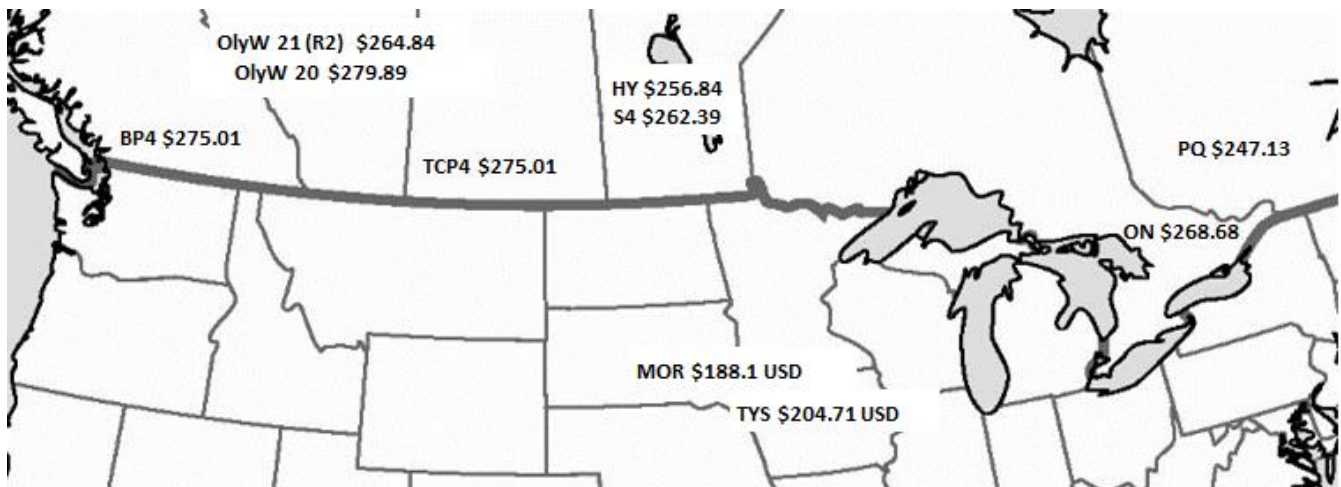
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 25-Aug-23	Difference to OlyW21
IPM (MMS 5.0)	\$235.73		\$233.22		\$253.41		\$251.04	
OlyW 2021 (R2)**	\$230.81		\$224.39		\$249.04		\$264.84	
OlyW 2020*	\$242.16	\$11.36	\$234.67	\$10.28	\$264.85	\$15.81	\$279.89	\$15.06
ML Sig 4	\$232.50	\$1.69	\$230.03	\$5.64	\$254.67	\$5.62	\$262.39	-\$2.45
BP4/TCP4	\$233.38	\$2.57	\$231.05	\$6.66	\$254.32	\$5.27	\$275.01	\$10.17
Hylife	\$233.31	\$2.50	\$228.17	\$3.77	\$252.85	\$3.80	\$256.84	-\$8.00
Ontario***	\$236.38	\$5.57	\$229.34	\$4.94	\$261.46	\$12.41	\$268.68	\$3.84
Québec (overall)	\$229.82	-\$0.98	\$213.07	-\$11.32	\$237.13	-\$11.91	\$247.13	-\$17.71
Tyson (USD)	\$190.04	-\$40.76	\$183.00	-\$41.40	\$208.53	-\$40.52	\$204.71	-\$60.13
John Morrell (USD)	\$184.59	-\$46.22	\$177.62	-\$46.77	\$203.68	-\$45.37	\$188.10	-\$76.74

* 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 weakened significantly on heavy declines in hog values and were further pressured by a rise in feed costs. Canadian farrow-to-finish feed costs rose \$2.60/hog while those in the monitored US region were up \$1.20/hog from the previous week.

Hog margins out of the OlyW 20 weakened \$11.40 to \$55.10/hog profits, followed by those out of Ontario & the ML Sig 4 which each weakened more than \$12 to \$49.20/hog profits. Hylife margins weakened \$12.50 to \$43.65/hog profits, while OlyW 21 hog margins declined \$10.65 to \$40/hog profits and those out of Quebec weakened \$12.20 to \$27.40/hog profits. In the US hog margins weakened \$11.70-\$11.90/hog, with Tyson at \$47.25/hog profits and JM at \$32.35/hog profits for the week.

Regional MARGINS, \$/hog						
Packer/Region	25-Aug-23				Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$279.89	\$161.30	\$41.45	\$22.05	\$224.80	\$55.09
OlyW 21 (R2)/Alberta	\$264.84	\$161.30	\$41.45	\$22.05	\$224.80	\$40.04
ML Sig 4/Manitoba	\$262.39	\$150.10	\$41.54	\$21.55	\$213.19	\$49.20
Hylife/Manitoba	\$256.84	\$150.10	\$41.54	\$21.55	\$213.19	\$43.65
Ontario	\$268.68	\$151.03	\$42.71	\$25.76	\$219.50	\$49.18
Québec (overall)	\$247.13	\$153.60	\$42.50	\$23.65	\$219.75	\$27.38
Tyson (USD)/Iowa	\$204.71	\$108.20	\$30.70	\$18.57	\$157.47	\$47.24
John Morrell (USD)/ND	\$188.10	\$106.47	\$30.70	\$18.57	\$155.74	\$32.36

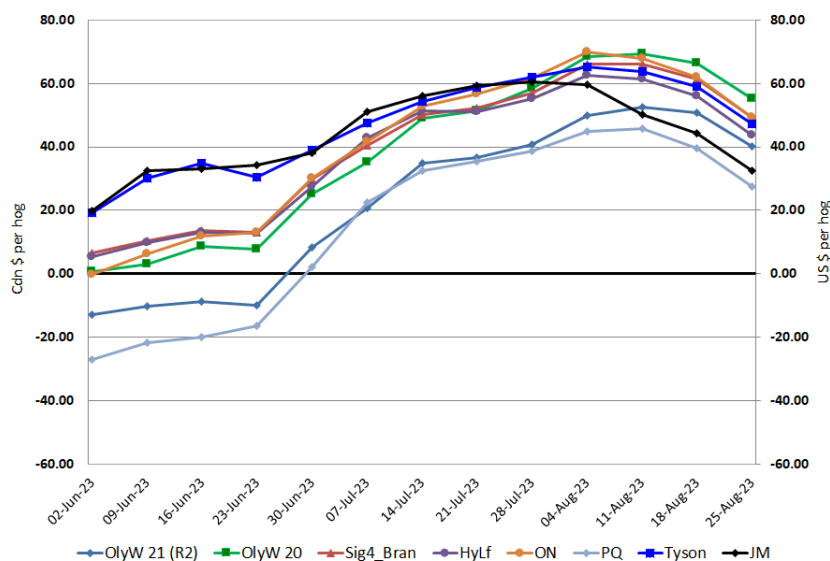
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$47.24 USD x 1.3593 = \$64.21 CAD
 Morrell: \$32.36 USD x 1.3593 = \$43.99 CAD

Canadian & US Margins Last 13 weeks



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