



Weekly Regional HOG PRICE Report



Things to Consider....

September 12, 2023

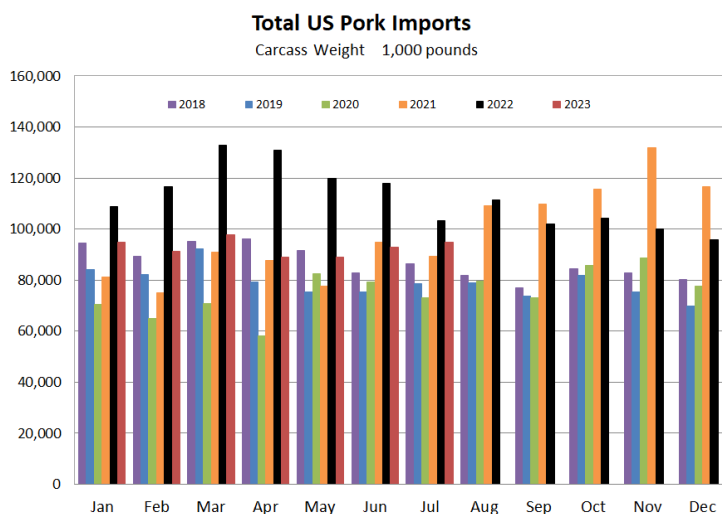
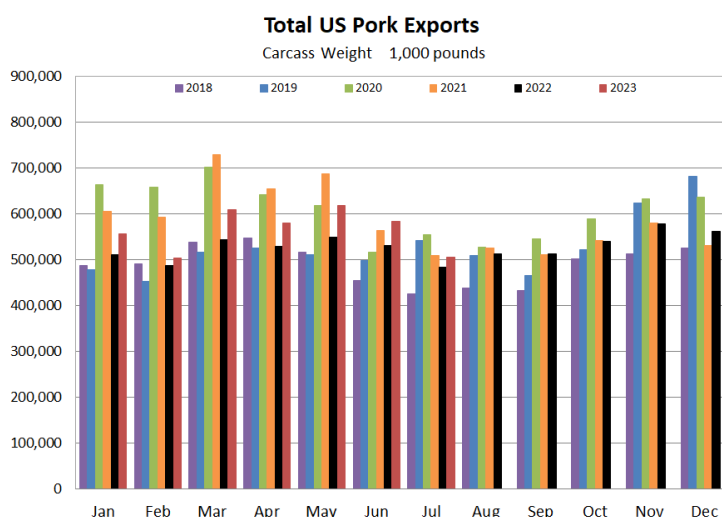
The latest monthly US livestock and meat trade data recorded at 504.7 million pounds dropped 79.2m pounds in July however held 20.7m pounds over last year. Compared to last year-to-date, US pork exports for 2023 so far are up 322.3m pounds or up +8.9% compared to the same months in 2022.

Most destinations for US pork recorded decreased amounts for July. US pork exports to Japan recorded the greatest month-over-month decline, down 22.4m pounds from June and is 6.7m pounds under a year earlier. US pork to China* (including Hong Kong & Taiwan) fell 17.5m pounds in July however is a modest 310 thousand under last year. Pork exports to South Korea was 11.1m pounds lower in July and is 10.9m pounds under 2022, while Mexico fell 10.2m pounds from June but is 18.1m pounds over last year and the Philippines fell 5.2m pounds on the month however is only 558 thousand pounds under a year earlier. Other destinations such as Australia, Colombia, the Dominican Republic and Honduras were generally down 2-3m pounds from June levels and are 0.5-2m pounds under last year. US pork to Canada slipped 581 thousand pounds in July however is 4.9m pounds over last year, bringing 2023 year-to-date 24.7m over the same months in 2022.

Total US pork imports in July were up +2.3% or 2.1m pounds on the month higher to bring the latest imports 8.4m pounds or -8.1% under 2022, and 180.6m pounds or -21.8% under last year-to-date. The monthly rise in imports can be attributed to increases from Poland and Denmark, both of which are under year year-ago levels, tempered by a decrease from Mexico with is modestly under amounts recorded in 2022. Pork imports from Canada edged 340 thousand pounds lower on the latest report, bringing them 1.9m pounds or -3.0% under a year earlier. For comparison, the US imported 20.8m pounds more pork from Canada than it exported to the country in the month of July.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Jul-22	Jun-23	Jul-23	M/M%	Y/Y%	YTD/LYTD%
Australia	12,034	22,792	20,279	-11.0%	68.5%	63.5%
Canada	37,548	43,033	42,452	-1.4%	13.1%	8.8%
China*	48,690	65,890	48,379	-26.6%	-0.6%	20.3%
Colombia	25,313	25,381	22,540	-11.2%	-11.0%	-19.1%
Japan	87,053	102,749	80,328	-21.8%	-7.7%	-0.3%
Mexico	168,789	197,042	186,883	-5.2%	10.7%	8.3%
South Korea	45,106	45,247	34,196	-24.4%	-24.2%	6.4%
All US Pork Exports	483,990	583,907	504,695	-13.6%	4.3%	8.9%

*Includes Mainland, Hong Kong & Taiwan



Weekly Hog Price Recap

Regional and national cash hogs varied in the holiday shortened week, recording lower prices early on though improved mid-week before declining again at the week's end. CME cash fell the front-half of the week however improved more modestly the latter half to end with a lower overall average. Wholesale pork values improved as primals were up at the start and end of the week to offset reported mid-week declines, with US pork cutout ending \$3.91/cwt over the week previous.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	08-Sep-23	Head	01-Sep-23		
ISM pm		\$80.11		\$82.75	-\$2.64	-3.2%
WCB pm		\$79.32		\$82.35	-\$3.04	-3.7%
Nat pm		\$79.18		\$81.81	-\$2.63	-3.2%
CME Index*		\$86.26		\$90.80	-\$4.54	-5.0%
Sows, 300-449lbs	10,180	\$52.57	11,043	\$57.81	-\$5.24	-9.1%
Sows, 500+ lbs	8,782	\$59.61	11,643	\$65.11	-\$5.51	-8.5%
BoC Exch		1.3647		1.3567	0.0080	0.6%

* Represents Friday-Thursday average

Monitored hog markets were significantly lower again this week, with those derived from lagged base pricing down the most. The OlyW 20 dropped near \$19.50/hog, while the OlyW21 was down around \$17.50/hog and BP4/TCP4 fell shy of \$14/hog. The ML Sig 4 declined \$10.30/hog, followed by hog values out of Ontario which fell \$9/hog. Hylife hogs were down shy of \$7/hog while those out of Quebec declined \$2/hog. In the US, Tyson hogs dropped \$11/hog while JM was down \$6.30/hog from the previous week.

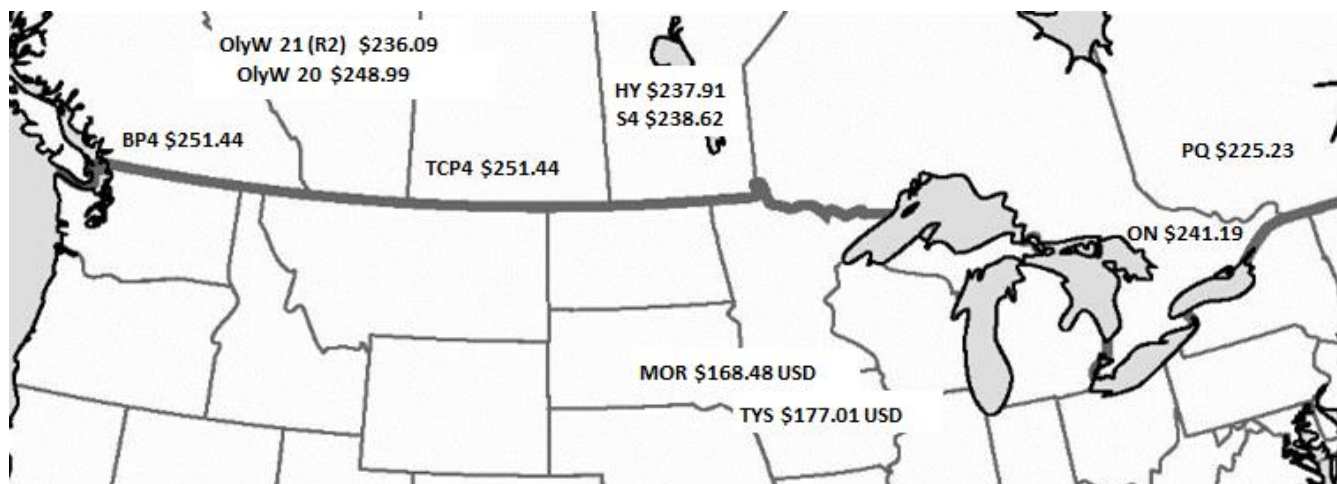
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 08-Sep-23	Difference to OlyW21
IPM (MMS 5.0)	\$236.58		\$233.33		\$255.05		\$240.68	
OlyW 2021 (R2)**	\$231.71		\$225.53		\$253.47		\$236.09	
OlyW 2020*	\$243.50	\$11.79	\$236.01	\$10.48	\$269.37	\$15.90	\$248.99	\$12.89
ML Sig 4	\$233.37	\$1.67	\$230.79	\$5.27	\$257.63	\$4.16	\$238.62	\$2.52
BP4/TCP4	\$234.54	\$2.83	\$232.57	\$7.04	\$259.40	\$5.93	\$251.44	\$15.35
Hylife	\$234.16	\$2.45	\$228.90	\$3.37	\$255.58	\$2.12	\$237.91	\$1.82
Ontario***	\$237.61	\$5.90	\$230.25	\$4.72	\$264.61	\$11.15	\$241.19	\$5.09
Québec (overall)	\$230.42	-\$1.29	\$213.80	-\$11.72	\$241.47	-\$11.99	\$225.23	-\$10.87
Tyson (USD)	\$191.17	-\$40.54	\$182.97	-\$42.56	\$207.61	-\$45.86	\$177.01	-\$59.08
John Morrell (USD)	\$185.69	-\$46.02	\$177.29	-\$48.24	\$201.12	-\$52.35	\$168.48	-\$67.62

* 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 continue to weaken on falling hog values and were further pressured by an uptick in feed costs. Canadian farrow-to-finish feed costs climbed \$0.85/hog higher while those in the monitored US region were up \$0.25/hog from the previous week.

Hog margins off the ML Sig 4 were down more than \$11 to \$24.10/hog profits and Hylife fell \$7.75 to \$23.35/hog profits. The OlyW 20 weakened \$20.25 to \$22.85/hog profits, while margins out of Ontario declined shy of \$10 to \$20.35/hog profits. OlyW 21 hog margins weakened \$18.25 to \$10/hog profits while Quebec was down more modestly, falling \$2.85 to \$4.15/hog profits. In the US, Tyson hog margins weakened \$11.30 to \$18.65/hog profits and JM margins fell \$6.60 to \$11.85/hog profits for the week.

Regional MARGINS, \$/hog						
Packer/Region	08-Sep-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$248.99	\$162.64	\$41.45	\$22.05	\$226.14	\$22.85
OlyW 21 (R2)/Alberta	\$236.09	\$162.64	\$41.45	\$22.05	\$226.14	\$9.95
ML Sig 4/Manitoba	\$238.62	\$151.44	\$41.54	\$21.55	\$214.53	\$24.09
Hylife/Manitoba	\$237.91	\$151.44	\$41.54	\$21.55	\$214.53	\$23.38
Ontario	\$241.19	\$152.37	\$42.71	\$25.76	\$220.84	\$20.35
Québec (overall)	\$225.23	\$154.94	\$42.50	\$23.65	\$221.09	\$4.14
Tyson (USD)/Iowa	\$177.01	\$109.10	\$30.70	\$18.57	\$158.37	\$18.64
John Morrell (USD)/ND	\$168.48	\$107.37	\$30.70	\$18.57	\$156.64	\$11.84

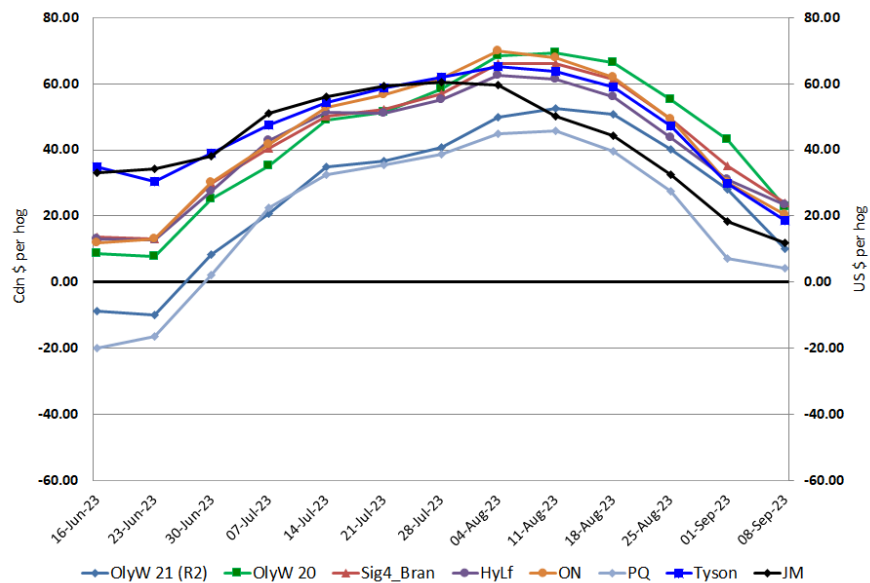
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$18.64 USD x 1.356 = \$25.28 CAD
 Morrell: \$11.84 USD x 1.356 = \$16.06 CAD

Canadian & US Margins Last 13 weeks



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