



Weekly Regional HOG PRICE Report



Things to Consider....

September 5, 2023

The latest US & Canadian Hogs report released by the USDA August 30th reported decreased North American inventories overall, excluding Kept for Breeding which increased 39 thousand head or a half a percent higher than the previous report however is 26 thousand head under last year. North American hogs and pigs reported at 86.2 million head was down 2.6 million head from the previous report and 55 thousand head under last year.

Sows farrowed in North America declined 329 thousand head from the previous report, though was down 73 thousand head from the same period in 2022. The US & Canadian pig crop fell 3.5 million head from the previous reporting period, though is up 530 thousand head from a year earlier.

Canadian All Hogs and Pigs declined -1.0% from last reported to 13,775 thousand head for the July 1st inventory, which brings them 135 thousand head or -1.0% under last year.

Canadian market hog inventories were down 142 thousand head or -1.1% from the previous report, and 131 thousand head or -1% lower than the year previous.

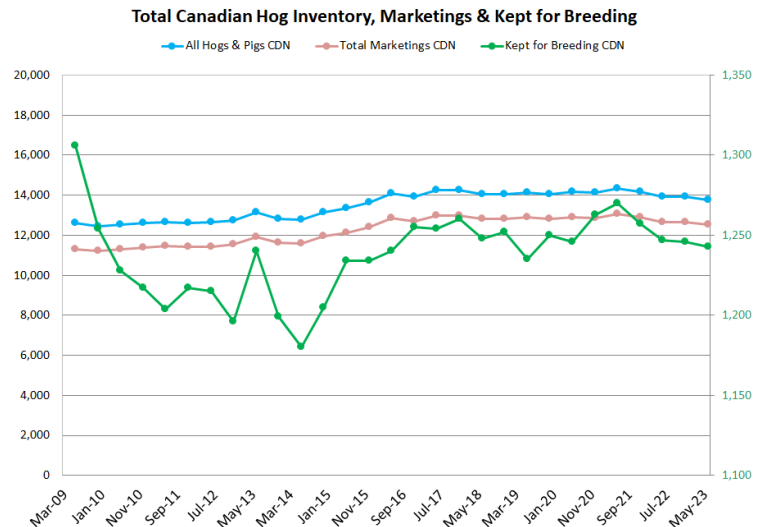
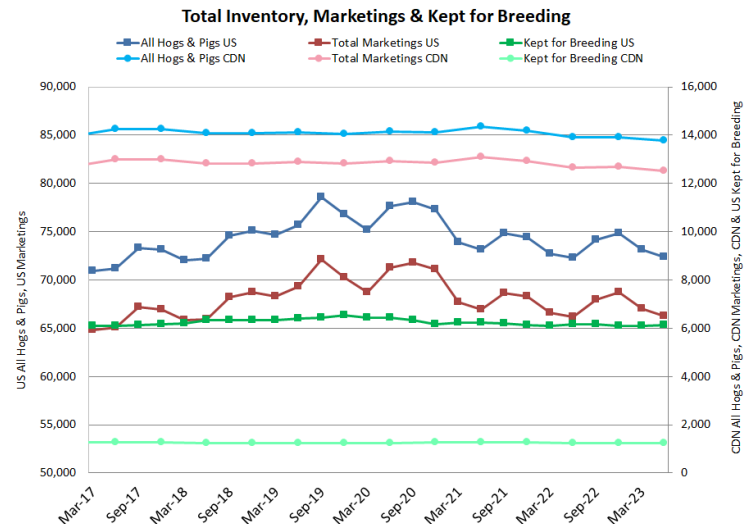
Canada's breeding herd dipped 3 thousand head or -0.2% from the January 1st period, with the current inventory 4 thousand head or -0.3% under the year previous.

Sows farrowed in Canada climbed 20 thousand head or +1.6% from last reported and is 8 thousand head or +0.6% over last year. Canada's pig crop rose 394 thousand head or +2.7% from the previous report, with the current pig crop 164 thousand head or +1.1% over last year..

U.S. & Canadian Hogs						
June Update, Released August 2023 (1,000 head)						
	2022*		2023*		% Chg	% Chg
	Q1 & Q2	Q3 & Q4	Q1 & Q2	Q3 & Q4		
All Hogs and Pigs	86,224	88,769	86,169		97.1%	99.9%
Kept for Breeding	7,415	7,350	7,389		100.5%	99.6%
Market Hogs	78,809	81,420	78,781		96.8%	100.0%
Market Hog Weight Groups						
Under 50 pounds	26,144	26,977	26,058		96.6%	99.7%
50-119 pounds	21,144	21,613	21,170		98.0%	100.1%
120-179 pounds	16,226	17,185	16,262		94.6%	100.2%
180 pounds and over	15,295	15,646	15,291		97.7%	100.0%
Sows Farrowed	7,132	7,388	7,059		95.5%	99.0%
Pig Crop	79,461	83,445	79,991		95.9%	100.7%

* Figures represented are US Dec-May US & CDN Jan-Jun.

** Figures represented are US Jun-Nov US & CDN Jul-Dec.



Weekly Hog Price Recap

Cash hogs were lower overall, with national cash up to start the week however declined daily thereafter while regional cash was reported up and down throughout the week though went unreported Friday. CME cash fell daily, declining steadily. Wholesale pork primal values were mixed on the week, however another significant drop in belly values weighed US pork cutout \$8.21/cwt under the week previous.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	01-Sep-23	Head	25-Aug-23		
ISM pm		\$82.75		\$88.22	-\$5.48	-6.2%
WCB pm		\$82.35		\$88.75	-\$6.40	-7.2%
Nat pm		\$81.81		\$88.42	-\$6.60	-7.5%
CME Index*		\$90.80		\$97.16	-\$6.36	-6.5%
Sows, 300-449lbs	11,043	\$57.81	12,603	\$61.19	-\$3.38	-5.5%
Sows, 500+ lbs	11,643	\$65.11	12,668	\$69.12	-\$4.01	-5.8%
BoC Exch		1.3567		1.3563	0.0004	0.0%

* Represents Friday-Thursday average

Monitored Canadian hog markets dropped heavily in the last week. Markets derived from lagged base pricing were down the least, with BP4/TCP4 \$9.75/hog lower while both the OlyW 21 & 20 were each shy of \$11.50/hog lower. Hylife hogs fell \$12/hog and the ML Sig 4 fell \$13.50/hog, while hog values out of the east were pressured more heavily with Ontario down \$18.40/hog and Quebec dropping more than \$19.75/hog. In the US, Tyson hogs fell \$16.70/hog while JM was \$13.30/hog lower than the previous week.

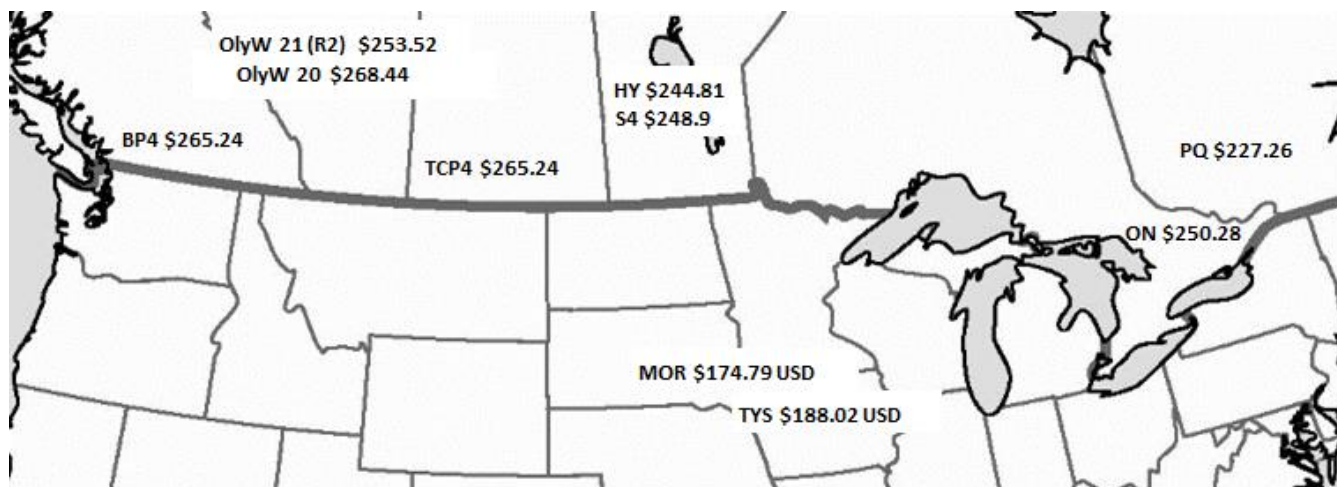
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 01-Sep-23	Difference to OlyW21
IPM (MMS 5.0)	\$236.13		\$233.10		\$253.73		\$231.87	
OlyW 2021 (R2)**	\$231.31		\$225.23		\$252.01		\$253.52	
OlyW 2020*	\$242.90	\$11.59	\$235.64	\$10.41	\$267.94	\$15.93	\$268.44	\$14.92
ML Sig 4	\$232.98	\$1.67	\$230.57	\$5.35	\$256.68	\$4.67	\$248.90	-\$4.62
BP4/TCP4	\$234.00	\$2.69	\$232.03	\$6.80	\$257.34	\$5.33	\$265.24	\$11.72
Hylife	\$233.77	\$2.46	\$228.64	\$3.42	\$254.63	\$2.62	\$244.81	-\$8.71
Ontario***	\$237.03	\$5.72	\$229.94	\$4.71	\$263.62	\$11.61	\$250.28	-\$3.24
Québec (overall)	\$230.15	-\$1.16	\$213.48	-\$11.75	\$239.57	-\$12.44	\$227.26	-\$26.26
Tyson (USD)	\$190.64	-\$40.68	\$183.14	-\$42.08	\$208.92	-\$43.09	\$188.02	-\$65.50
John Morrell (USD)	\$185.17	-\$46.14	\$177.54	-\$47.69	\$203.15	-\$48.86	\$174.79	-\$78.73

* 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 again weakened significantly on heavy declines in hog values and were further pressured by a rise in feed costs. Canadian farrow-to-finish feed costs climbed \$0.50/hog higher while those in the monitored US region were up \$0.65/hog from the previous week.

Hog margins out of the OlyW 20 weakened \$12 to \$43.15/hog profits, while margins off the ML Sig 4 were down \$14 to \$35.20/hog profits and Hylife fell \$12.55 to \$31.10/hog profits. Hog margins out of Ontario weakened shy of \$19 to \$30.25/hog profits, while the OlyW 21 was down \$11.80 to \$28.20/hog profits and Quebec weakened more than \$20 to \$7/hog profits. In the US, Tyson hog margins weakened \$17.30 to shy of \$30/hog profits and JM margins fell \$14 to \$18.40/hog profits for the week.

Regional MARGINS, \$/hog						
Packer/Region	01-Sep-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$268.44	\$161.81	\$41.45	\$22.05	\$225.31	\$43.13
OlyW 21 (R2)/Alberta	\$253.52	\$161.81	\$41.45	\$22.05	\$225.31	\$28.21
ML Sig 4/Manitoba	\$248.90	\$150.61	\$41.54	\$21.55	\$213.70	\$35.20
Hylife/Manitoba	\$244.81	\$150.61	\$41.54	\$21.55	\$213.70	\$31.11
Ontario	\$250.28	\$151.54	\$42.71	\$25.76	\$220.01	\$30.27
Québec (overall)	\$227.26	\$154.11	\$42.50	\$23.65	\$220.26	\$7.00
Tyson (USD)/Iowa	\$188.02	\$108.83	\$30.70	\$18.57	\$158.10	\$29.92
John Morrell (USD)/ND	\$174.79	\$107.10	\$30.70	\$18.57	\$156.37	\$18.42

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

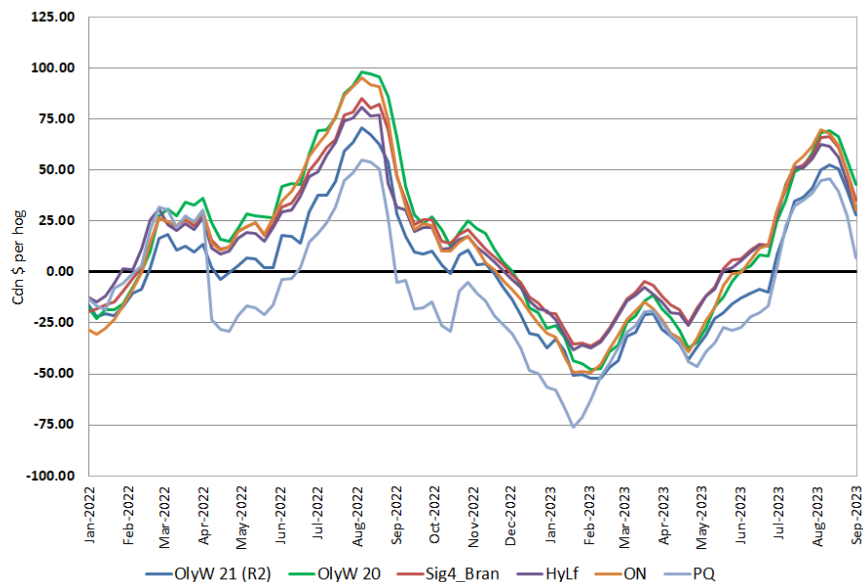
* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: \$29.92 USD x 1.3627 = \$40.77 CAD

Morrell: \$18.42 USD x 1.3627 = \$25.10 CAD

Canadian Margins 2022-2023



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