



Weekly Regional HOG PRICE Report



Things to Consider....

October 17, 2023

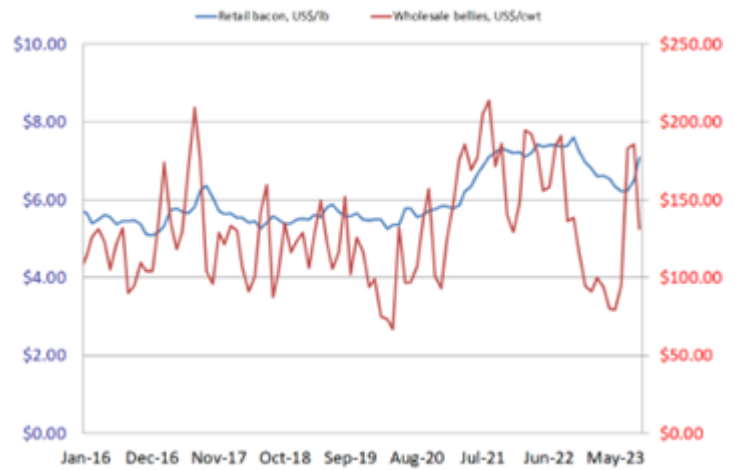
US retail bacon jumped +8.9% from the month previous with the average September price at \$7.08/lb, the highest recorded since November 2022 at \$7.24/lb, and brought the latest prices - 4.1% under year-ago levels. For comparison, current retail bacon prices are \$0.34/lb over the 3-year average for the month of September. Wholesale belly values fell from the 13-month high reached in August, dropping -29.2% to \$131.51/cwt in September with current values - 3.6% under the year previous. Notably, wholesale belly values are \$11.65/cwt under the 3-year historical average.

All retail chops declined -0.7% to \$4.33/lb for September, coming down from the new record high for the month of March reached a month earlier. This brought the latest retail chop prices +3.3% over last year, with the current retail price levels \$0.31 over the 3-year average for the month of September. Boneless chops held steady at \$4.56/lb, bringing boneless chops +1.6% over last year. Bone-in chops fell -1.7% to \$4.55/lb, bringing the cut -0.9% under year-ago levels. Wholesale loins values climbed +1.2% to \$97.37/cwt from the previous month, bringing current loin values -0.8% under last year. For comparison, September loin values are \$5.54/cwt over the 3-year historical average.

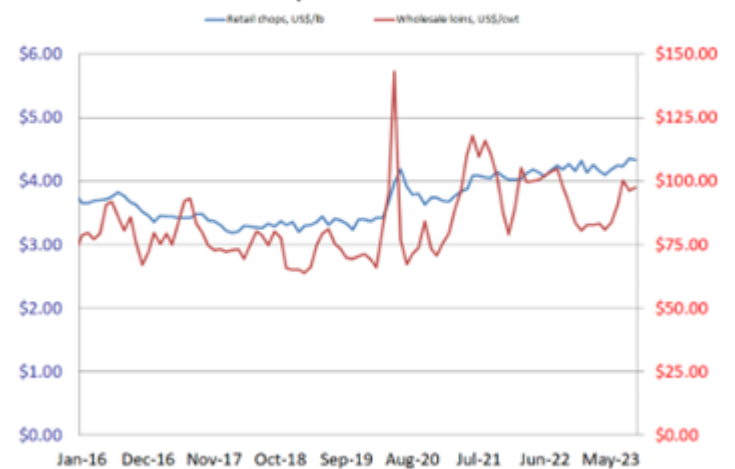
All retail hams edged -0.1% to \$4.56/lb for September, bringing hams +5.2% over year-ago levels. Current retail price levels are \$0.48 over the 3-year average for the month of September. Boneless hams dipped -0.2% to \$5.88/lb on the month, bringing the cut +6.9% over last year. Wholesale ham values averaged \$89.91/cwt which was down -3.0% from August values, bringing the latest values -14.1% under year-ago levels but \$10.81 over the 3-year average.

The category reporting other retail pork prices slipped -0.1% to \$3.63/lb, bringing other pork - 2.3% under last year. Current levels are 26 cents over the 3-year average for the month of September.

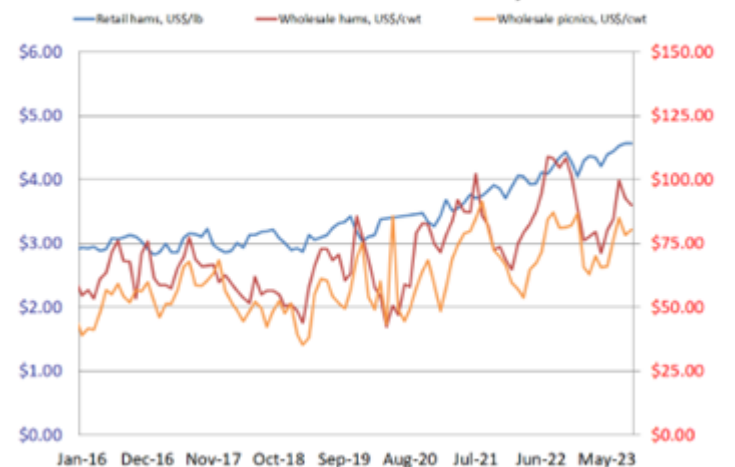
Retail Bacon VS Wholesale Bellies



Retail Chops VS Wholesale Loins



Retail Hams VS Wholesale Hams/Picnics



Weekly Hog Price Recap

Regional and national hogs fell during much of the week, however averaged above the week previous on moderate daily moves. CME cash was lower overall, recording generally daily modest moves. Most wholesale pork primal values declined with exception to a notable +5.3% rise in rib values, with US pork cutout ending \$2.07/cwt under week ago values.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	13-Oct-23	Head	06-Oct-23		
ISM pm		\$74.25		\$72.56	\$1.69	2.3%
WCB pm		\$73.96		\$72.13	\$1.83	2.5%
Nat pm		\$73.75		\$72.33	\$1.42	2.0%
CME Index*		\$82.33		\$84.08	-\$1.75	-2.1%
Sows, 300-449lbs	12,280	\$29.81	12,208	\$29.22	\$0.59	2.0%
Sows, 500+ lbs	11,130	\$37.40	13,702	\$37.80	-\$0.40	-1.1%
BoC Exch		1.3628		1.3718	-0.0090	-0.7%

* Represents Friday-Thursday average

Monitored Canadian markets fell on lower slaughter-based hog prices, lagged base pricing and declining pork values, in addition to another dip in the exchange rate. The ML Sig 4 and hog values out of Ontario were down the most, each more than \$5/hog lower on the week. The OlyW 20 fell \$4.55/hog and Hylife was down shy of \$4/hog, while the OlyW 21 & hog values out of Quebec each declined near \$3.50/hog, and BP4/TCP4 slipped nearly \$1.50/hog lower. In the US, Tyson hogs fell \$2/hog while JM hog values rose \$3.80/hog from the week previous.

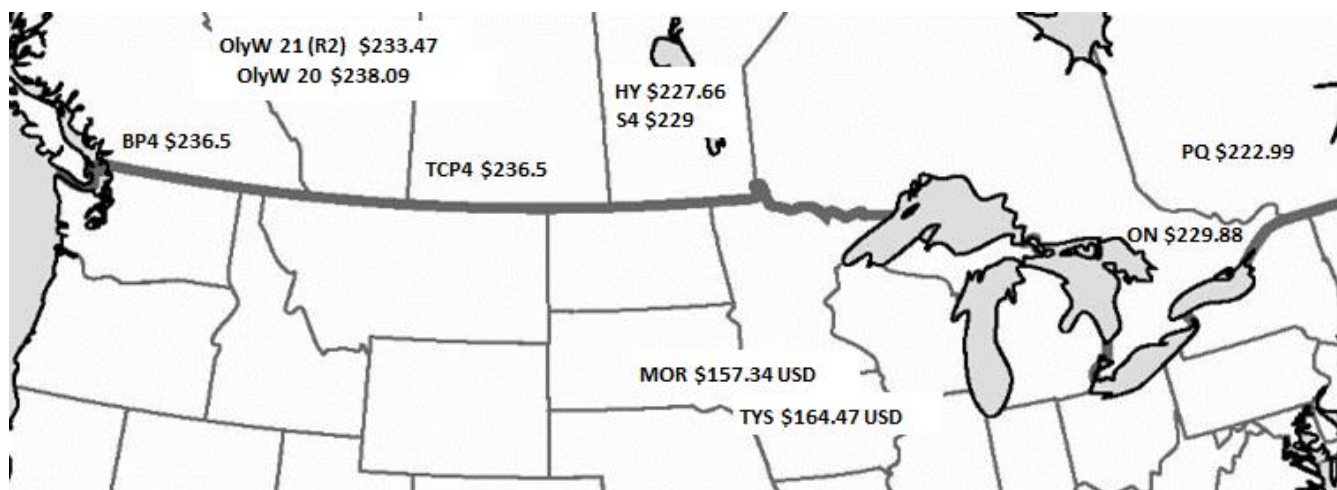
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 13-Oct-23	Difference to OlyW21
IPM (MMS 5.0)	\$238.41		\$234.28		\$252.20		\$232.40	
OlyW 2021 (R2)**	\$233.54		\$227.05		\$253.91		\$233.47	
OlyW 2020*	\$245.76	\$12.22	\$236.96	\$9.91	\$265.86	\$11.96	\$238.09	\$4.62
ML Sig 4	\$234.73	\$1.19	\$231.28	\$4.22	\$253.41	-\$0.49	\$229.00	-\$4.47
BP4/TCP4	\$236.73	\$3.20	\$233.34	\$6.29	\$258.61	\$4.71	\$236.50	\$3.03
Hylife	\$235.58	\$2.04	\$229.60	\$2.54	\$251.30	-\$2.61	\$227.66	-\$5.81
Ontario***	\$239.65	\$6.11	\$231.02	\$3.96	\$258.49	\$4.59	\$229.88	-\$3.59
Québec (overall)	\$231.49	-\$2.05	\$215.64	-\$11.41	\$242.21	-\$11.70	\$222.99	-\$10.48
Tyson (USD)	\$193.01	-\$40.53	\$181.65	-\$45.40	\$195.24	-\$58.66	\$164.47	-\$69.00
John Morrell (USD)	\$187.22	-\$46.32	\$175.34	-\$51.71	\$184.79	-\$69.12	\$157.34	-\$76.13

* 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 generally weakened on lower hog values and rising feed costs. Canadian farrow-to-finish feed costs climbed \$0.30/hog higher while costs in the monitored US region increased \$0.65/hog from the week previous.

ML Sig 4 hog margins weakened \$5.60 to \$11.75/hog profits, followed by margins out of Hylife which fell \$4.20 to \$10.40/hog profits. The OlyW 20 declined \$4.85 to \$9.20/hog profits, while margins out of Ontario weakened \$5.40 to \$6.30/hog profits. OlyW 21 hog margins fell \$3.75 to \$4.60/hog profits while Quebec was \$3.70 lower to \$0.85/hog losses. In the US, Tyson hog margins fell \$2.70 to \$4.75/hog profits while JM margins strengthened \$3.15 to \$0.65/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	13-Oct-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$238.09	\$165.39	\$41.45	\$22.05	\$228.89	\$9.20
OlyW 21 (R2)/Alberta	\$233.47	\$165.39	\$41.45	\$22.05	\$228.89	\$4.58
ML Sig 4/Manitoba	\$229.00	\$154.19	\$41.54	\$21.55	\$217.28	\$11.72
Hylife/Manitoba	\$227.66	\$154.19	\$41.54	\$21.55	\$217.28	\$10.38
Ontario	\$229.88	\$155.12	\$42.71	\$25.76	\$223.59	\$6.29
Québec (overall)	\$222.99	\$157.69	\$42.50	\$23.65	\$223.84	-\$0.85
Tyson (USD)/Iowa	\$164.47	\$110.45	\$30.70	\$18.57	\$159.72	\$4.75
John Morrell (USD)/ND	\$157.34	\$108.72	\$30.70	\$18.57	\$157.99	-\$0.65

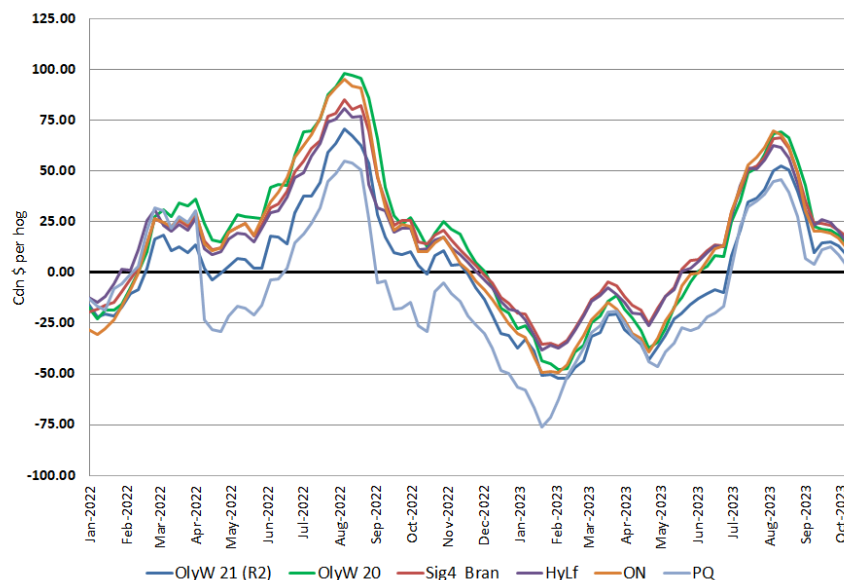
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$4.75 USD x 1.3647 = \$6.48 CAD
 Morrell: **\$(0.65)** USD x 1.3647 = **\$(0.89)** CAD

Canadian Margins 2022-2023



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