



Weekly Regional HOG PRICE Report



Things to Consider....

October 3, 2023

The USDA's Quarterly Hogs & Pigs report was released Thursday, September 28th. Hog inventories were reported higher than market analyst's pre-report estimates, however farrowings were notably lower.

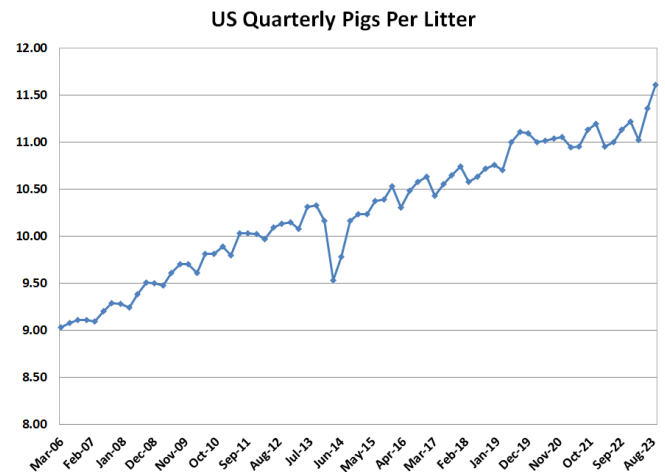
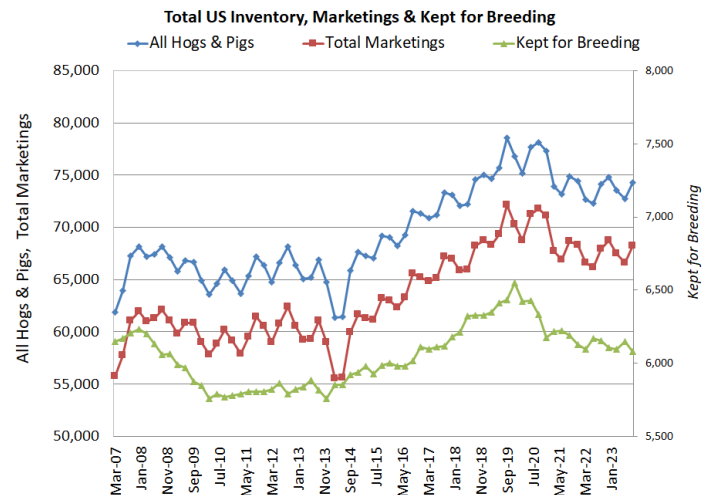
All Hogs & Pigs came out a half a percent higher than pre-report estimates, increasing 1.58 million head higher or +2.2% from June's tally and bringing current inventories 194 thousand head or up +0.3% from a year earlier. Market hog categories were all reported higher than a year ago, rising +0.1% to +0.7% with those weighing more than 120lbs up the most. From the previous quarter, the latest market-ready 180+lb hog inventories fell -2.1% while the categories reporting those 119lbs or lighter were each down more than -4.5%. Kept for breeding aligned with market expectations, slipping -1.1% from the previous quarter and -1.2% under a year earlier.

The September pig crop was expected lower, however came out +0.4% over year ago levels, and pigs per litter reached the highest recorded to date at 11.61 for the June-August period.

Revisions, as reported by the USDA:

“All inventory and pig crop estimates for September 2022 through June 2023 were reviewed using final pig crop, official slaughter, death loss, and updated import and export data. The revision made to the June 2023 all hogs and pigs inventory was 0.5 percent. A revision of 0.2 percent was made to the March 2023-May 2023 pig crop. A net revision of 1.0 percent was made to the March 2023 all hogs and pigs inventory. The net revision made to the December 2022-February 2023 pig crop was 1.5 percent.”

Quarterly H&P - Sept 2023					
(1,000 head)	2022	2023	%23/22	Est	%Act-Est
All Hogs and Pigs	74,125	74,319	100.3%	99.8%	0.5%
Kept for Breeding	6,152	6,079	98.8%	98.8%	0.0%
Market Hogs	67,973	68,241	100.4%	99.8%	0.6%
Mkt hog Wt. Groups					
Under 50 pounds	21,893	21,913	100.1%	99.3%	0.8%
50-119 pounds	19,677	19,756	100.4%	100.1%	0.3%
120-179 pounds	14,013	14,110	100.7%	100.1%	0.6%
180 pounds and over	12,390	12,463	100.6%	100.2%	0.4%
Jun-Aug Pig Crop	34,096	34,229	100.4%	98.7%	1.7%
Jun-Aug Pigs per Litter	11.13	11.61	104.3%	101.9%	2.4%
Sows Farrowing					
2023 Jun-Aug farrowed	3,062	2,949	96.3%	96.8%	(0.5%)
2023 Sep-Nov intentions	3,092	2,930	94.8%	96.4%	(1.6%)
'23/24 Dec-Feb intentions	2,952	2,912	98.6%	98.3%	0.3%



Weekly Hog Price Recap

Regional and national cash hogs fell daily with heavier declines recorded in the back-half of the week, particularly out of the WCB. CME cash was also lower, down near daily with greater declines at the week's end. Wholesale pork primal values also fell, generally 1%-3% lower, with US pork cutout ending \$1.65/cwt under week ago values.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	29-Sep-23	Head	22-Sep-23		
ISM pm		\$76.52		\$78.68	-\$2.16	-2.7%
WCB pm		\$75.77		\$78.43	-\$2.65	-3.4%
Nat pm		\$75.89		\$78.03	-\$2.14	-2.7%
CME Index*		\$86.17		\$86.86	-\$0.69	-0.8%
Sows, 300-449lbs	12,734	\$32.67	13,132	\$39.98	-\$7.31	-18.3%
Sows, 500+ lbs	10,436	\$40.92	11,003	\$47.07	-\$6.15	-13.1%
BoC Exch		1.3502		1.3458	0.0044	0.3%

* Represents Friday-Thursday average

Monitored hog markets reflected declines in hog prices and pork values, generally \$1-\$3 lower per hog on the week. Hylife was down \$3.65/hog, followed by hog values out of Quebec which fell \$3.40/hog. The OlyW 20 and Ontario hogs were each down around \$1.60/hog and the ML Sig 4 declined \$1.40/hog, while the OlyW 21 fell \$1.10/hog and BP4/TCP4 slipped \$0.65/hog. In the US, Tyson hogs declined \$1.25/hog while JM dropped \$5.50/hog from the previous week.

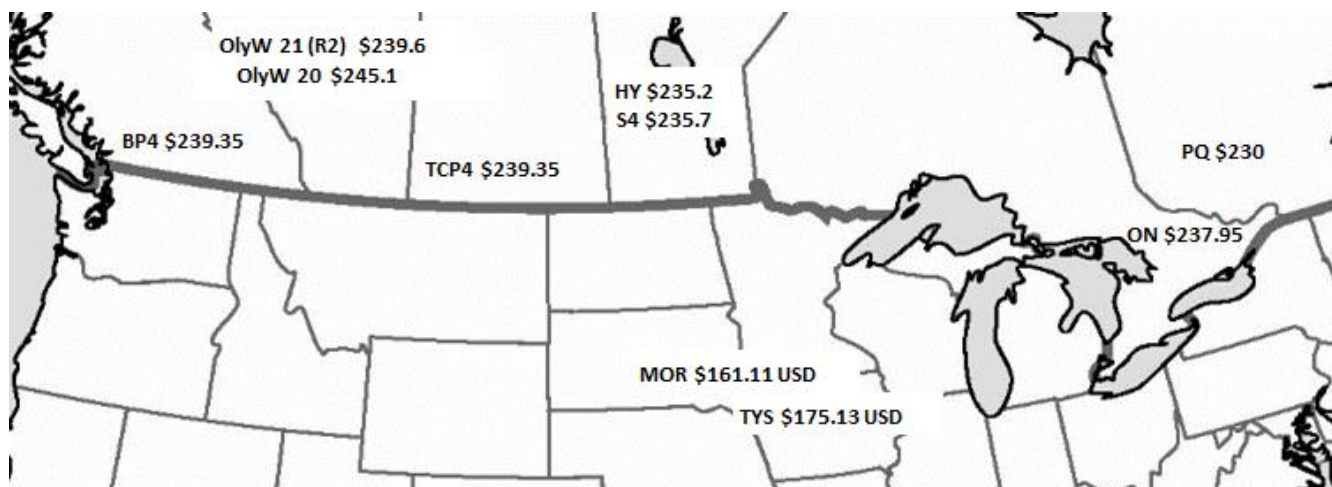
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 29-Sep-23	Difference to OlyW21
IPM (MMS 5.0)	\$237.93		\$234.21		\$256.61		\$241.76	
OlyW 2021 (R2)**	\$232.97		\$226.64		\$256.36		\$239.60	
OlyW 2020*	\$245.09	\$12.13	\$236.79	\$10.15	\$269.72	\$13.36	\$245.10	\$5.50
ML Sig 4	\$234.41	\$1.44	\$231.26	\$4.62	\$257.35	\$0.99	\$235.70	-\$3.90
BP4/TCP4	\$235.94	\$2.97	\$233.15	\$6.51	\$260.87	\$4.51	\$239.35	-\$0.25
Hylife	\$235.27	\$2.31	\$229.60	\$2.96	\$255.80	-\$0.56	\$235.20	-\$4.40
Ontario***	\$239.13	\$6.17	\$230.94	\$4.31	\$263.55	\$7.20	\$237.95	-\$1.65
Québec (overall)	\$231.29	-\$1.68	\$215.18	-\$11.46	\$245.46	-\$10.90	\$230.00	-\$9.60
Tyson (USD)	\$192.57	-\$40.39	\$182.48	-\$44.15	\$202.05	-\$54.31	\$175.13	-\$64.47
John Morrell (USD)	\$186.95	-\$46.02	\$176.36	-\$50.27	\$193.26	-\$63.09	\$161.11	-\$78.49

* 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 on lower hog values and another rise in feed costs. Canadian farrow-to-finish feed costs were up \$0.80/hog while those in the monitored US region climbed \$0.30/hog from the week previous.

ML Sig 4 hog margins fell \$2.15 to \$20.85/hog profits, followed by margins out of Hylife which weakened \$4.45 to \$20.35/hog profits. The OlyW 20 declined \$2.35 to \$18.65/hog profits, while margins out of Ontario were down \$2.40 to \$16.80/hog profits. OlyW 21 hog margins fell \$1.90 to \$13.15/hog profits while Quebec weakened \$4.20 to \$8.60/hog profits. In the US, Tyson hog margins were \$1.55 lower to \$16.05/hog profits while JM margins weakened \$5.85 to \$3.75/hog profits for the week.

Regional MARGINS, \$/hog						
Packer/Region	29-Sep-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$245.10	\$162.94	\$41.45	\$22.05	\$226.44	\$18.66
OlyW 21 (R2)/Alberta	\$239.60	\$162.94	\$41.45	\$22.05	\$226.44	\$13.16
ML Sig 4/Manitoba	\$235.70	\$151.74	\$41.54	\$21.55	\$214.83	\$20.87
Hylife/Manitoba	\$235.20	\$151.74	\$41.54	\$21.55	\$214.83	\$20.37
Ontario	\$237.95	\$152.67	\$42.71	\$25.76	\$221.14	\$16.81
Québec (overall)	\$230.00	\$155.24	\$42.50	\$23.65	\$221.39	\$8.61
Tyson (USD)/Iowa	\$175.13	\$109.82	\$30.70	\$18.57	\$159.09	\$16.04
John Morrell (USD)/ND	\$161.11	\$108.09	\$30.70	\$18.57	\$157.36	\$3.75

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

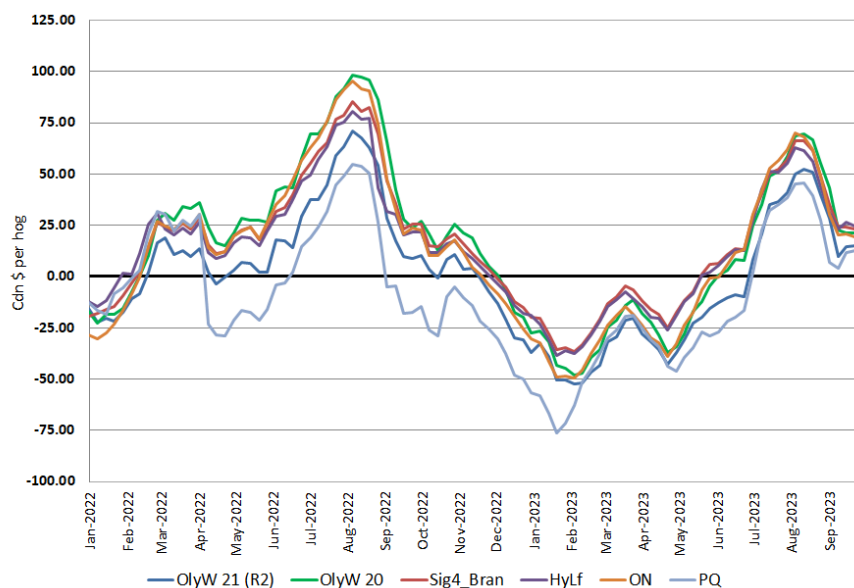
* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: \$16.04 USD x 1.3711 = \$21.99 CAD

Morrell: \$3.75 USD x 1.3711 = \$5.14 CAD

Canadian Margins 2022-2023



Disclaimer: Commodity Professionals Inc. presents this report as a snapshot of the market using current information available at the time of the report. These findings are for informational purposes only and should not be reproduced or transmitted by any means without permission. Commodity Professionals Inc. does not guarantee and accepts no legal liability arising from or connected to, the accuracy, reliability, or completeness of any material contained in the publication.