



# Weekly Regional HOG PRICE Report



## Things to Consider....

October 24, 2023

In the latest data, Canadian stocks of frozen and chilled pork for the third quarter fell 6,064 tonnes or -7.2% from the previous quarter. The quarterly decline reflects decreases in most pork categories, especially hams, unclassified pork and backs & shoulders. Compared to a year earlier, total Canadian pork stocks are down 11,294 tonnes or -12.6% under higher supplies recorded in 2022.

Quarterly ham stocks dropped 2,763 to 10,234 tonnes, down from the historical high reach the previous quarter and brings current stocks 932 tonnes over a year earlier.

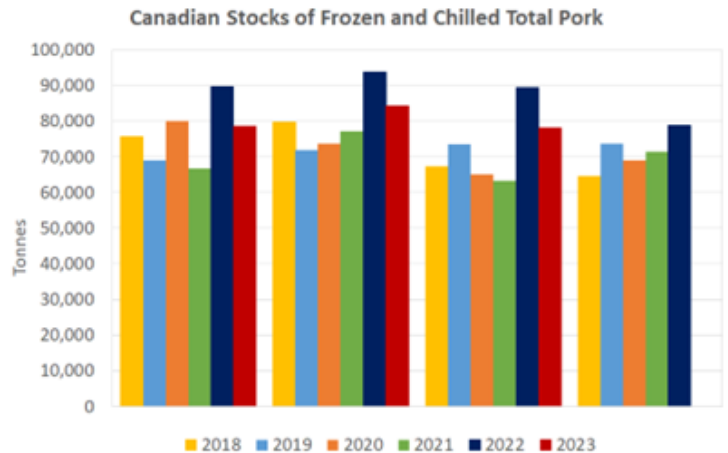
The category accounting for unclassified pork fell 1,486 in the latest quarter to 26,333 tonnes, down 4,462 tonnes from stocks recorded a year earlier.

Pork backs & shoulders declined 1,045 to 2,359 tonnes for the third quarter of 2023, down 1,026 tonnes or under last year.

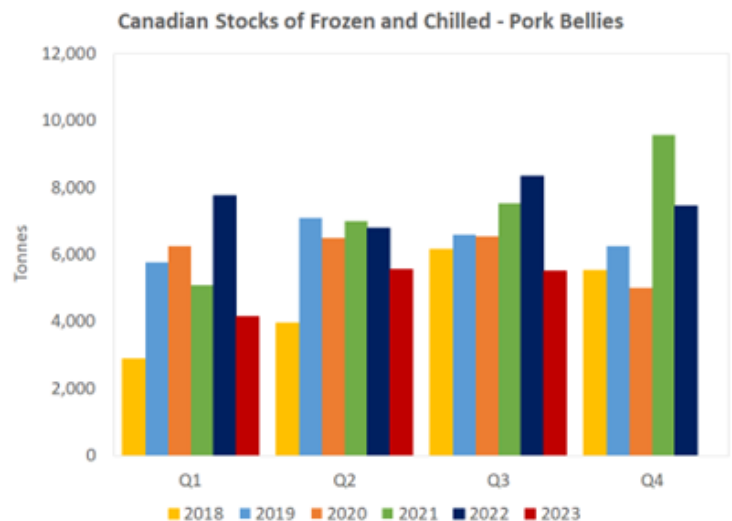
Belly stocks slipped 42 to 5,507 tonnes, bringing current supplies 2,834 tonnes under last year and continues below more recent historical levels for this time.

Pork loins fell 712 to 5,889 tonnes in the latest quarter, down 3,025 compared to a year earlier, while pork trimmings dropped 857 to 10,196 tonnes for Q3 and is 3,549 tonnes under stocks in 2022.

Canadian Cold Storage, Stocks of frozen and chilled meats					
(reported in tonnes)	Q3 2023	Q2 2023	Q3 2022	Q/Q Chg%	Y/Y Chg%
<b>Pork, total</b>	<b>78,224</b>	<b>84,288</b>	<b>89,518</b>	<b>-7.2%</b>	<b>-12.6%</b>
Hams	10,234	12,997	9,302	-21.3%	10.0%
Pork, loins	5,889	6,601	8,914	-10.8%	-33.9%
Pork, bellies	5,507	5,549	8,341	-0.8%	-34.0%
Pork, butts	2,403	2,398	1,464	0.2%	64.1%
Pork, picnics	3,885	3,986	2,976	-2.5%	30.5%
Pork, ribs	11,417	10,481	10,595	8.9%	7.8%
Pork, backs and shoulders	2,359	3,404	3,385	-30.7%	-30.3%
Pork, trimmings	10,196	11,053	13,745	-7.8%	-25.8%
Unclassified pork	26,333	27,819	30,795	-5.3%	-14.5%



Quarter 1 refers to the first business day of January, Quarter 2 refers to the first business day of April, Quarter 3 refers to the first business day of July and Quarter 4 refers to the first business day of October.



# Weekly Hog Price Recap

Regional and national hogs again fell throughout much of the week, with Friday recording the largest decline. CME cash was down daily on generally steady moves. Wholesale pork primal values were all lower with bellies and butts down the most, weighing US pork cutout \$3.87/cwt under week ago values.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	20-Oct-23	Head	13-Oct-23		
ISM pm		\$72.90		\$74.25	-\$1.35	-1.8%
WCB pm		\$72.58		\$73.96	-\$1.38	-1.9%
Nat pm		\$72.92		\$73.75	-\$0.83	-1.1%
CME Index*		\$80.74		\$82.33	-\$1.59	-1.9%
Sows, 300-449lbs	11,659	\$32.88	12,280	\$29.81	\$3.07	10.3%
Sows, 500+ lbs	11,970	\$40.15	11,130	\$37.40	\$2.76	7.4%
BoC Exch		1.3672		1.3628	0.0044	0.3%

\* Represents Friday-Thursday average

Monitored Canadian markets continue to weaken on lower hog and pork values. Hylife hog values fell \$5.70/hog, followed by those out of the OlyW 21 and BP4/TC4 which were each down around \$5.50/hog. Hog values out of Ontario declined \$4.35/hog, while the OlyW 20 & the ML Sig 4 were each down \$3.80/hog. In the US, Tyson hogs climbed \$1.65/hog while JM hog values fell \$2.85/hog from the previous week.

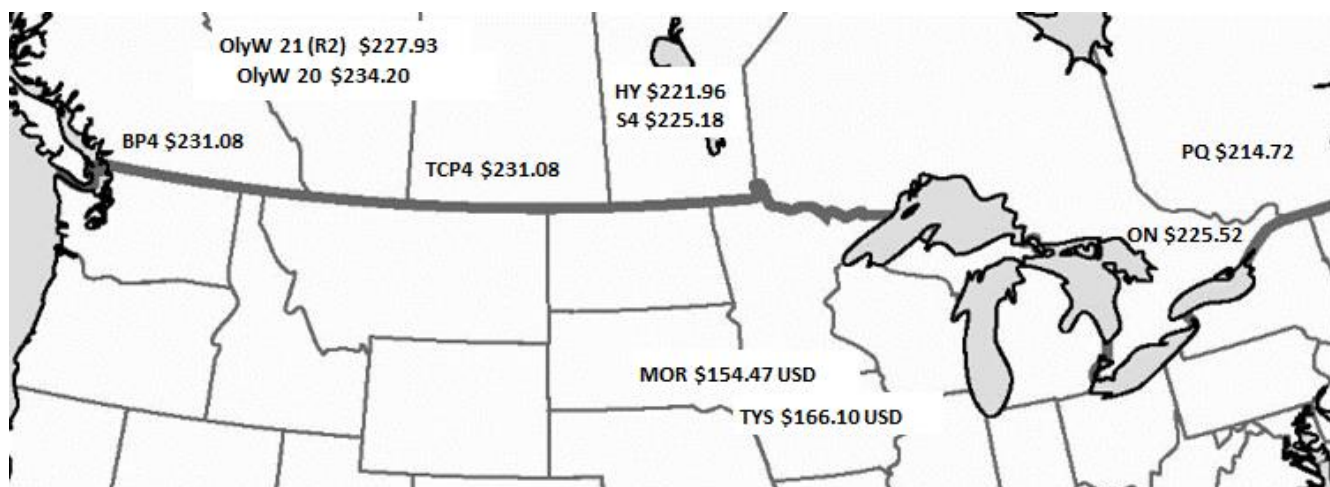
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 20-Oct-23	Difference to OlyW21
IPM (MMS 5.0)	\$238.51		\$234.10		\$248.74		\$225.67	
OlyW 2021 (R2)**	\$233.65		\$227.07		\$251.11		\$227.93	
OlyW 2020*	\$245.91	\$12.26	\$236.89	\$9.82	\$262.40	\$11.29	\$234.20	\$6.27
ML Sig 4	\$234.87	\$1.21	\$231.13	\$4.06	\$250.08	-\$1.03	\$225.18	-\$2.75
BP4/TCP4	\$236.96	\$3.31	\$233.29	\$6.22	\$256.05	\$4.95	\$231.08	\$3.15
Hylife	\$235.59	\$1.93	\$229.41	\$2.34	\$247.83	-\$3.28	\$221.96	-\$5.97
Ontario***	\$239.75	\$6.10	\$230.89	\$3.81	\$254.36	\$3.26	\$225.52	-\$2.41
Québec (overall)	\$231.41	-\$2.25	\$215.62	-\$11.45	\$238.88	-\$12.23	\$214.72	-\$13.22
Tyson (USD)	\$193.13	-\$40.53	\$181.28	-\$45.79	\$191.01	-\$60.10	\$166.10	-\$61.83
John Morrell (USD)	\$187.33	-\$46.33	\$174.85	-\$52.23	\$179.74	-\$71.36	\$154.47	-\$73.46

\* 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 again this past week on lower hog values and another rise in feed costs. Canadian farrow-to-finish feed costs rose \$2.15/hog higher while costs in the monitored US region were up \$1.30/hog from the week previous.

Hog margins out of the ML Sig 4 & the OlyW 20 each fell \$6 to \$5.75/hog and \$3.15/hog profits, respectively, while Hylife weakened \$7.85 to \$2.50/hog profits. Ontario hog margins were down \$6.50 to \$0.25/hog losses, while OlyW 21 hog margins weakened \$7.70 to \$3.10/hog losses. In the US, Tyson hog margins climbed \$0.35 to \$5.10/hog profits while JM margins weakened \$4.15 to \$4.80/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	Farrow to Finish				Total COP	Weekly Margin
	20-Oct-23 Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$234.20	\$167.55	\$41.45	\$22.05	\$231.05	\$3.15
OlyW 21 (R2)/Alberta	\$227.93	\$167.55	\$41.45	\$22.05	\$231.05	-\$3.12
ML Sig 4/Manitoba	\$225.18	\$156.35	\$41.54	\$21.55	\$219.44	\$5.74
Hylife/Manitoba	\$221.96	\$156.35	\$41.54	\$21.55	\$219.44	\$2.52
Ontario	\$225.52	\$157.28	\$42.71	\$25.76	\$225.75	-\$0.23
Québec (overall)	\$214.72	\$159.85	\$42.50	\$23.65	\$226.00	-\$11.28
Tyson (USD)/Iowa	\$166.10	\$111.73	\$30.70	\$18.57	\$161.00	\$5.10
John Morrell (USD)/ND	\$154.47	\$110.00	\$30.70	\$18.57	\$159.27	-\$4.80

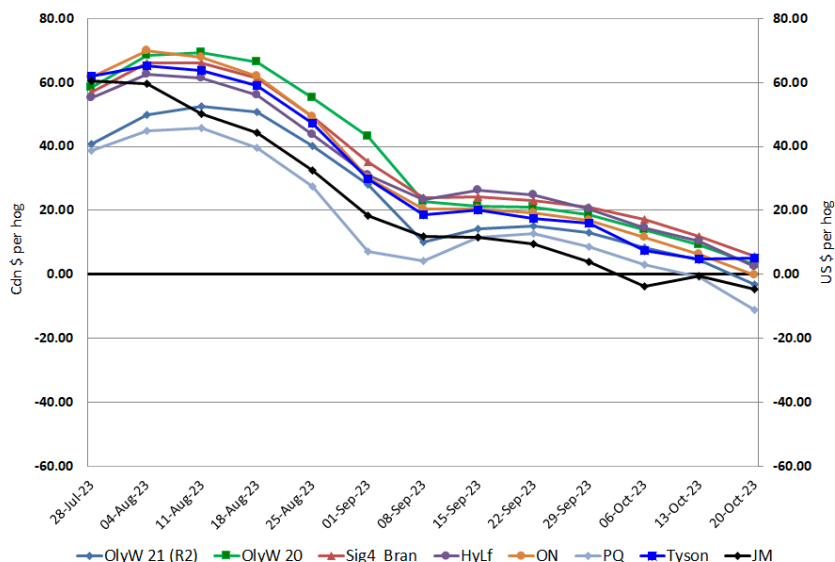
\* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$5.10 USD x 1.3731 = \$7.00 CAD  
 Morrell: \$(4.80) USD x 1.3731 = \$(6.59) CAD

Canadian & US Margins Last 13 weeks



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