



Weekly Regional HOG PRICE Report



Things to Consider....

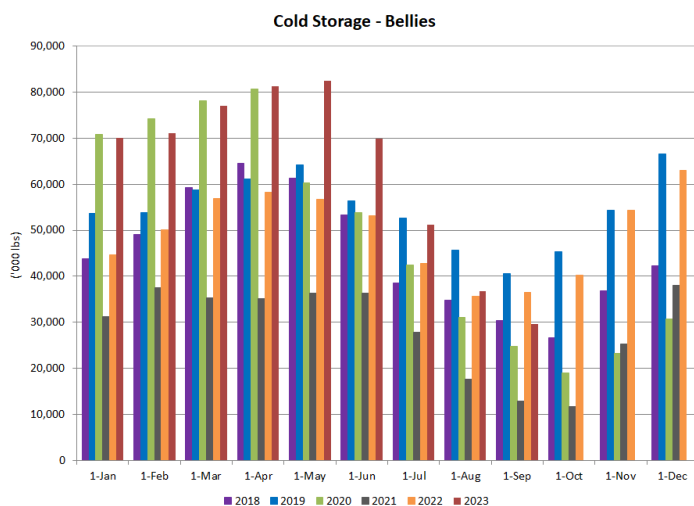
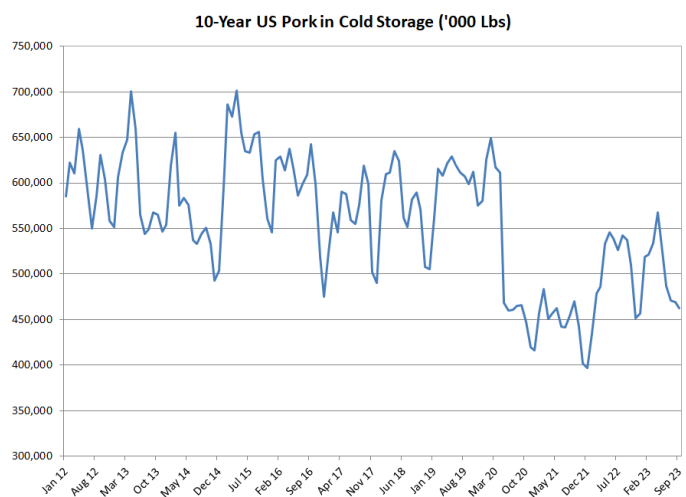
October 31, 2023

The latest US Cold Storage numbers reported pork stocks at 462.8 million pounds for September, down 6.5m pounds from August and 74.3m pounds under year-ago levels. Notably, August's cold storage amount was revised -0.4% lower from 471.1m pounds down to 469.2m pounds.

Seasonal declines in pork bellies and picnics, coupled with lower supplies in many other categories lowered the overall stocks in cold storage. Bellies were down the most, declining 7.2m pounds from August and brings current supplies 6.9m pounds under a year earlier. Total hams were also reduced from last reported, down 4.8m pounds for September due largely to lessened amounts of bone-in hams and is overall 10.0m pounds under last year as a result of reduced quantities of boneless hams. Picnics in cold storage were down -24.1% or 2.1m pounds lower on the month however are modestly above last year, while trimmings declined 2.1m pounds for September and is 1.7m pounds under 2022.

Total loins in cold storage rose 3.8m pounds in September and is overall modestly above levels recorded in 2022, with the bone-in variety above year-ago levels while the boneless variety continues under last year's supplies. Spare-ribs increased 4.6m from last reported however continues significantly under a year earlier, down 41.9m pounds from the strong supplies recorded last year. Notably the categories accounting for other pork and unclassified pork also reflected increased quantities on the month, however both continue at stocks below 2022.

US Pork in Cold Storage					
('000 lbs)	Sep-23	Aug-23	Sep-22	M/M	Y/Y
Picnics	6,479	8,533	6,428	-24.1%	0.8%
Hams	149,520	154,286	159,489	-3.1%	-6.3%
Bellies	29,638	36,804	36,513	-19.5%	-18.8%
Loins	37,644	33,875	36,940	11.1%	1.9%
Ribs	61,402	56,769	103,299	8.2%	-40.6%
Butts	16,224	17,164	17,755	-5.5%	-8.6%
Trimmings	38,184	40,237	39,919	-5.1%	-4.3%
Other	53,678	51,437	58,913	4.4%	-8.9%
Variety	21,394	22,638	23,449	-5.5%	-8.8%
Unclassified	48,600	47,500	54,331	2.3%	-10.5%
Total Pork	462,763	469,243	537,036	-1.4%	-13.8%



Weekly Hog Price Recap

Regional and national cash hogs started higher however recorded declines much of the latter part of the week. CME cash again fell daily, down more at the start of the week and then more steadily the remainder of the week. Wholesale pork primal values were also lower overall, dragging US pork cutout \$1.79/cwt under the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	27-Oct-23	Head	20-Oct-23		
ISM pm		\$72.10		\$72.90	-\$0.79	-1.1%
WCB pm		\$71.46		\$72.58	-\$1.12	-1.5%
Nat pm		\$71.73		\$72.92	-\$1.18	-1.6%
CME Index*		\$78.46		\$80.74	-\$2.28	-2.8%
Sows, 300-449lbs	12,524	\$37.25	11,659	\$32.88	\$4.37	13.3%
Sows, 500+ lbs	12,226	\$44.28	11,970	\$40.15	\$4.13	10.3%
BoC Exch		1.3778		1.3672	0.0106	0.8%

* Represents Friday-Thursday average

Monitored Canadian markets generally fell \$4-\$6.50 per hog on the week. Hog values out of Quebec and the OlyW 21 were down the most, declining \$6.50 and \$6/hog respectively. The ML Sig 4 fell shy of \$5.50/hog, while the OlyW 20 was down more than \$5/hog. Hylife hogs were down \$4.65/hog followed by those out of Ontario which declined shy of \$4.50/hog, and the BP4/TCP4 was shy of \$4/hog lower. In the US, Tyson hogs fell \$3.65/hog while JM hog values declined \$2.35/hog from the previous week.

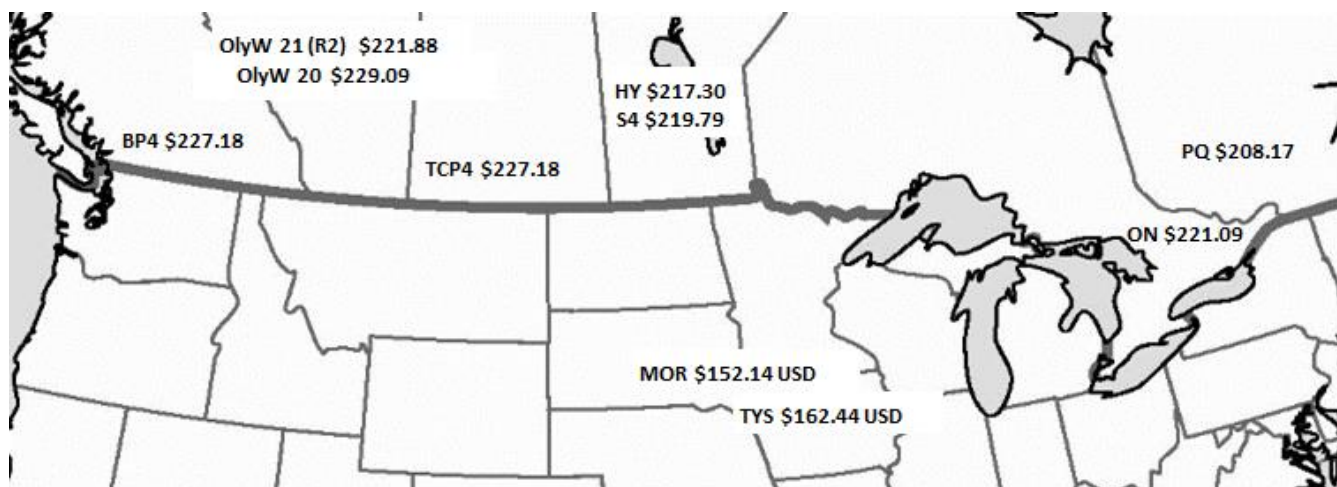
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 27-Oct-23	Difference to OlyW21
IPM (MMS 5.0)	\$238.59		\$233.94		\$245.27		\$224.98	
OlyW 2021 (R2)**	\$233.69		\$226.95		\$247.40		\$221.88	
OlyW 2020*	\$245.98	\$12.29	\$236.71	\$9.76	\$257.90	\$10.50	\$229.09	\$7.21
ML Sig 4	\$234.96	\$1.27	\$230.87	\$3.92	\$245.87	-\$1.53	\$219.79	-\$2.10
BP4/TCP4	\$237.10	\$3.41	\$233.15	\$6.19	\$252.64	\$5.24	\$227.18	\$5.30
Hylife	\$235.55	\$1.86	\$229.13	\$2.18	\$243.55	-\$3.86	\$217.30	-\$4.58
Ontario***	\$239.82	\$6.12	\$230.66	\$3.70	\$249.40	\$2.00	\$221.09	-\$0.80
Québec (overall)	\$231.26	-\$2.44	\$215.45	-\$11.51	\$234.68	-\$12.72	\$208.17	-\$13.71
Tyson (USD)	\$193.23	-\$40.47	\$180.84	-\$46.11	\$186.14	-\$61.26	\$162.44	-\$59.45
John Morrell (USD)	\$187.41	-\$46.28	\$174.32	-\$52.64	\$174.32	-\$73.08	\$152.14	-\$69.74

* 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 significantly on continued declines in hog values, with unprofitable levels reflected across all Canadian margins which faced additional pressure by another rise in feed costs. Canadian farrow-to-finish feed costs were up \$1.55/hog while costs in the monitored US region were generally stable to modestly higher from the week previous.

Hog margins out of the ML Sig 4 weakened \$7 to \$1.20/hog losses, followed by those off the OlyW 20 which weakened \$6.65 to \$3.50/hog losses and Hylife which fell \$6.20 to \$3.70/hog losses. Ontario hog margins declined \$6 to \$6.20/hog losses, while the OlyW 21 weakened \$7.60 to \$10.70/hog losses and Quebec weakened \$8 to \$19.35/hog losses. In the US, Tyson hog margins were down \$3.75 to \$1.35/hog profits while JM margins weakened \$2.40 to \$7.20/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	27-Oct-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$229.09	\$169.09	\$41.45	\$22.05	\$232.59	-\$3.50
OlyW 21 (R2)/Alberta	\$221.88	\$169.09	\$41.45	\$22.05	\$232.59	-\$10.71
ML Sig 4/Manitoba	\$219.79	\$157.89	\$41.54	\$21.55	\$220.98	-\$1.19
Hylife/Manitoba	\$217.30	\$157.89	\$41.54	\$21.55	\$220.98	-\$3.68
Ontario	\$221.09	\$158.82	\$42.71	\$25.76	\$227.29	-\$6.20
Québec (overall)	\$208.17	\$161.39	\$42.50	\$23.65	\$227.54	-\$19.37
Tyson (USD)/Iowa	\$162.44	\$111.80	\$30.70	\$18.57	\$161.07	\$1.37
John Morrell (USD)/ND	\$152.14	\$110.07	\$30.70	\$18.57	\$159.34	-\$7.20

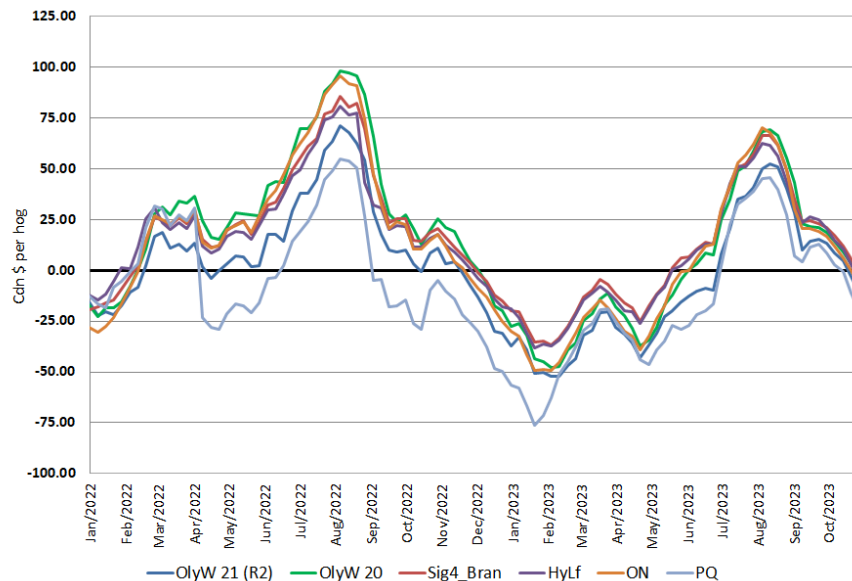
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$1.37 USD x 1.3871 = \$1.90 CAD
 Morrell: **\$(7.20)** USD x 1.3871 = **\$(9.99)** CAD

Canadian Margins 2022-2023



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