



# Weekly Regional HOG PRICE Report



## Things to Consider....

December 19, 2023

A look at the overall monthly wholesale pork cutout values shows that pork values continue at strong levels, though remain under the highs recorded in 2021/22. US pork cutout at \$86.68/cwt for the month of November was down -4.2% from a month earlier and -7.2% under last year. For comparison, the 10-year average cutout value for November is \$83.53/cwt.

Average monthly pork loin values at \$84.86/cwt for November fell -7.7% from the previous month but climbed +1.4% over year-ago values. For comparison, the 10-year average for the month of November (2013-22) was \$78.49/cwt.

Wholesale pork butts at \$107.18/cwt fell -2.1% from October values, however holds a strong +9.7% over November 2022. Notably, the latest month's butt values reflect a 9-yr high for November, with the 10-year average for the month at \$88.99/cwt.

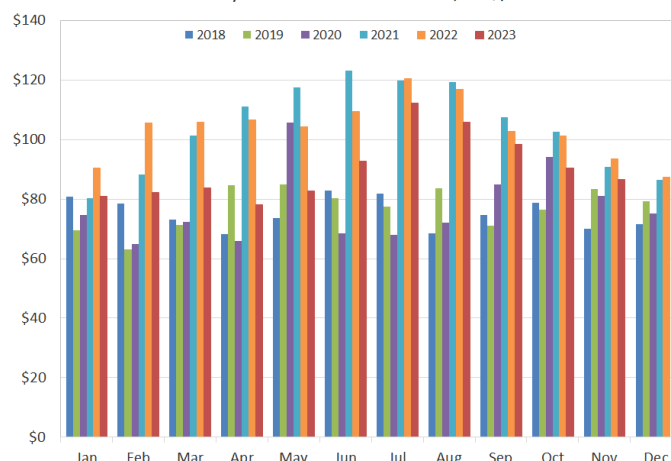
Picnics at \$77.13/cwt climbed +1.8% into November however is -5.7% under year-ago values. Notably, picnic values for Nov'22 was the second highest recorded in ten years, with the 10-year average for November at \$66.25/cwt.

Wholesale ribs slipped -0.7% from October values to \$109.82/cwt and is -7.6% compared to a year earlier. For comparison, 2023 represents the second lowest value for the month of November in ten years, with the 10-year average for November at \$128.90/cwt.

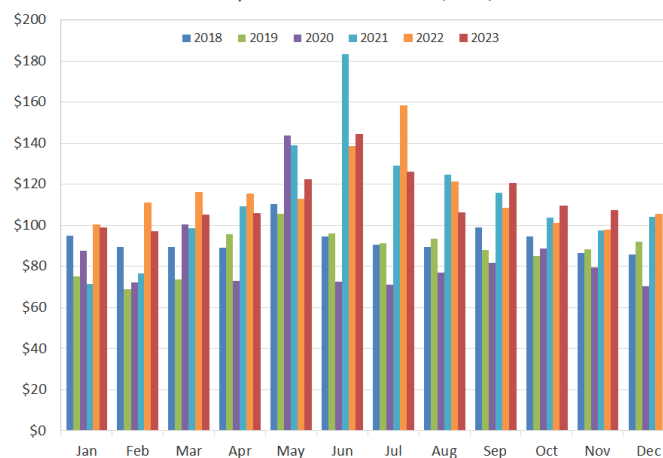
Hams at \$82.42/cwt declined -0.6% for November and is -19.0% under last year's strong values. For comparison, the 10-year average for the month of November is \$77.04/cwt.

Bellies dropped -10.0% from the month of October to \$102.16/cwt and is -12.1% under November 2022. Notably, the latest month's belly values represent the second lowest in 9 years, with the 10-year average for the month of November at \$115.99/cwt.

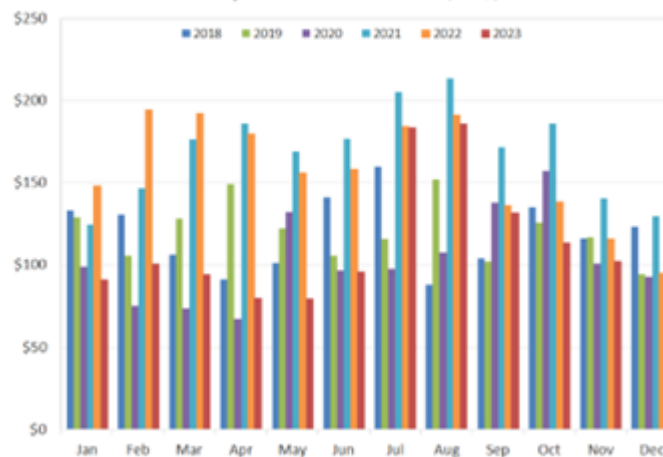
Monthly Wholesale Pork Cutout, US\$/cwt



Monthly Wholesale Pork Butts, US\$/cwt



Monthly Wholesale Pork Bellies, US\$/cwt



# Weekly Hog Price Recap

Regional and national cash hogs were again lower throughout much of the week, though did record a modest recovery day Wednesday. CME cash was also lower overall with one day of improvement and mid-week moves generally more moderate. Wholesale pork primal values were mostly lower with exception to a strong rise in bellies and more moderately higher ribs, weighing US pork cutout - \$1.34/cwt under a week earlier.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	15-Dec-23	Head	08-Dec-23		
ISM pm		\$49.02		\$53.29	-\$4.27	-8.0%
WCB pm		\$48.96		\$52.84	-\$3.88	-7.3%
Nat pm		\$49.06		\$53.45	-\$4.40	-8.2%
CME Index*		\$67.73		\$69.35	-\$1.62	-2.3%
Sows, 300-449lbs	13,267	\$44.28	12,681	\$49.39	-\$5.10	-10.3%
Sows, 500+ lbs	12,423	\$49.94	11,928	\$56.40	-\$6.46	-11.5%
BoC Exch		1.3505		1.3576	-0.0071	-0.5%

\* Represents Friday-Thursday average

Monitored hog markets varied however most were lower on the week. Markets derived from lagged base pricing were generally down the most, with the OlyW 20 falling \$6.25/hog and BP4/TC4 \$4.35/hog lower. Ontario hogs fell \$5.35/hog, followed by the ML Sig 4 which declined \$3.85/hog and the OlyW 21 was down \$2.60/hog. Hylife hogs climbed \$0.30/hog while those out of Quebec improved \$2.25/hog. In the US, Tyson hogs dropped \$12.30/hog while JM hog values were down \$8/hog from the previous week.

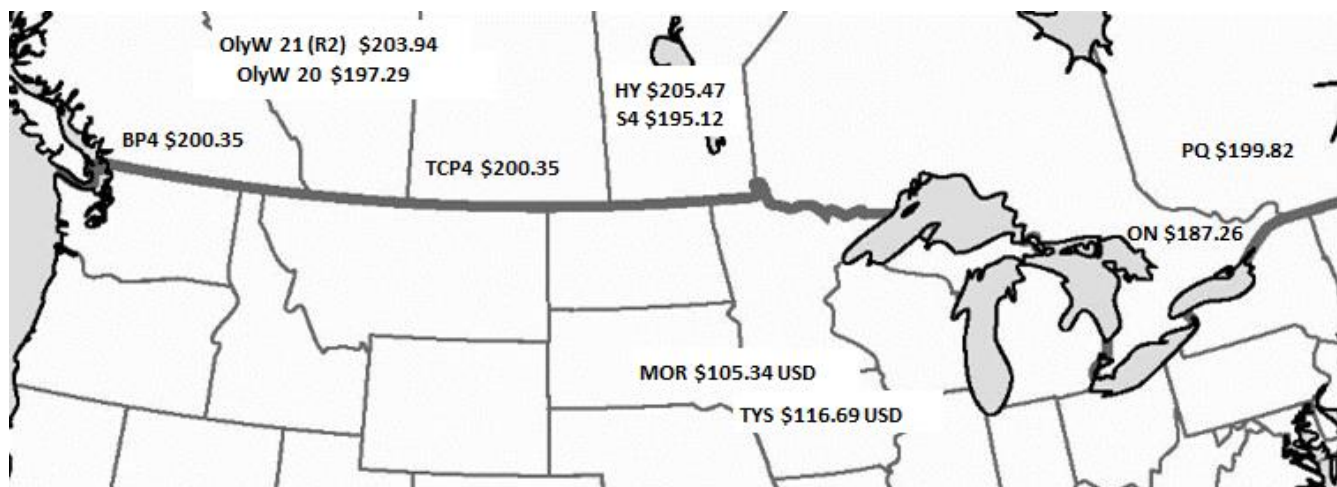
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 15-Dec-23	Difference to OlyW21
IPM (MMS 5.0)	\$239.58		\$232.48		\$228.99		\$218.75	
OlyW 2021 (R2)**	\$234.02		\$225.04		\$222.59		\$203.94	
OlyW 2020*	\$246.28	\$12.26	\$233.55	\$8.51	\$225.74	\$3.15	\$197.29	-\$6.65
ML Sig 4	\$235.53	\$1.51	\$227.66	\$2.62	\$218.21	-\$4.38	\$195.12	-\$8.82
BP4/TCP4	\$237.69	\$3.67	\$230.35	\$5.31	\$223.40	\$0.81	\$200.35	-\$3.60
Hylife	\$235.92	\$1.90	\$226.59	\$1.54	\$219.17	-\$3.42	\$205.47	\$1.53
Ontario***	\$240.15	\$6.13	\$227.00	\$1.95	\$216.96	-\$5.63	\$187.26	-\$16.69
Québec (overall)	\$230.86	-\$3.16	\$213.93	-\$11.12	\$212.91	-\$9.68	\$199.82	-\$4.13
Tyson (USD)	\$193.33	-\$40.69	\$175.38	-\$49.66	\$154.13	-\$68.46	\$116.69	-\$87.26
John Morrell (USD)	\$187.27	-\$46.74	\$167.70	-\$57.35	\$141.11	-\$81.48	\$105.34	-\$98.60

\* 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 overall, however a modest reduction in feed costs were lightly supportive. Canadian farrow-to-finish feed costs fell \$0.75/hog while those in the monitored US region slipped \$0.10/hog from a week earlier.

Hylife hog margins improved a little better than \$1 to \$13/hog losses, followed by ML Sig 4 margins which declined \$3.10 to nearly \$23.50/hog losses. Hog margins out of Quebec strengthened \$3 to \$25.25/hog losses, while the OlyW 21 margins declined \$1.85 to \$26.20/hog losses. OlyW 20 margins weakened \$5.50 to \$32.85/hog losses and Ontario hogs declined \$4.60 to \$37.60/hog losses. In the US, Tyson hog margins weakened \$12.15 to \$43.60/hog losses while JM margins dropped \$8 to \$53.20/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	15-Dec-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$197.29	\$166.65	\$41.45	\$22.05	\$230.15	-\$32.86
OlyW 21 (R2)/Alberta	\$203.94	\$166.65	\$41.45	\$22.05	\$230.15	-\$26.21
ML Sig 4/Manitoba	\$195.12	\$155.45	\$41.54	\$21.55	\$218.54	-\$23.42
Hylife/Manitoba	\$205.47	\$155.45	\$41.54	\$21.55	\$218.54	-\$13.07
Ontario	\$187.26	\$156.38	\$42.71	\$25.76	\$224.85	-\$37.59
Québec (overall)	\$199.82	\$158.95	\$42.50	\$23.65	\$225.10	-\$25.28
Tyson (USD)/Iowa	\$116.69	\$111.01	\$30.70	\$18.57	\$160.28	-\$43.59
John Morrell (USD)/ND	\$105.34	\$109.28	\$30.70	\$18.57	\$158.55	-\$53.21

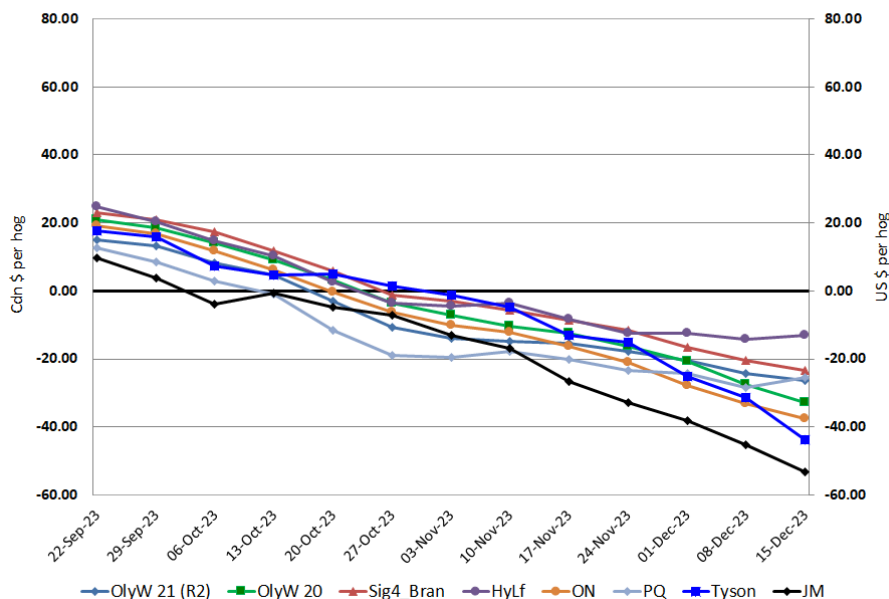
\* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: **\$(43.59)** USD x 1.3387 = **\$(58.35)** CAD  
 Morrell: **\$(53.21)** USD x 1.3387 = **\$(71.23)** CAD

Canadian & US Margins Last 13 weeks



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