



Weekly Regional HOG PRICE Report



Things to Consider....

December 5, 2023

The latest US federally inspected hog slaughter was reported at 2,704 thousand head: up 479 thousand or +21.5% from the previous holiday week, +4.7% over the same week last year and +1.6% over last year-to-date.

US sow slaughter for the week ending Nov 18 increased +4.1% or 2,600 head from the prior week to 65,300 head, which is +7.1% over last year and up +3.8% compared to last year-to-date.

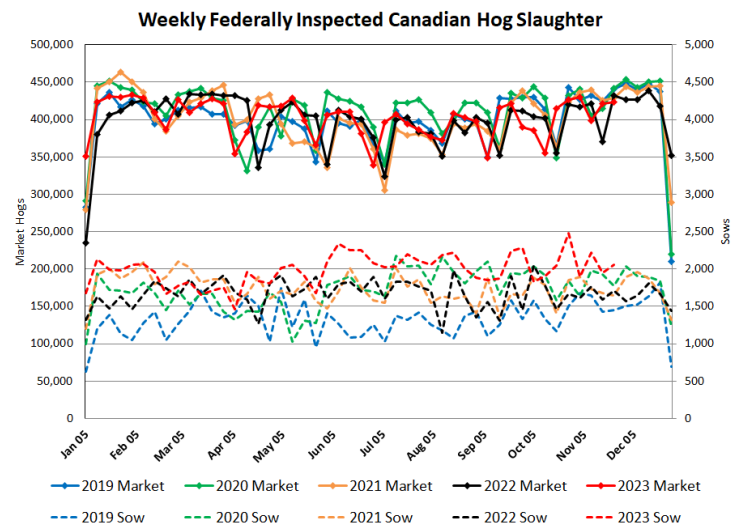
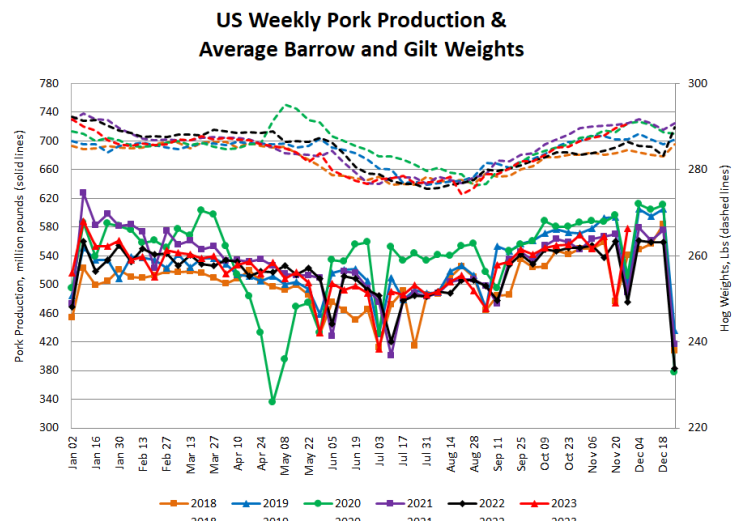
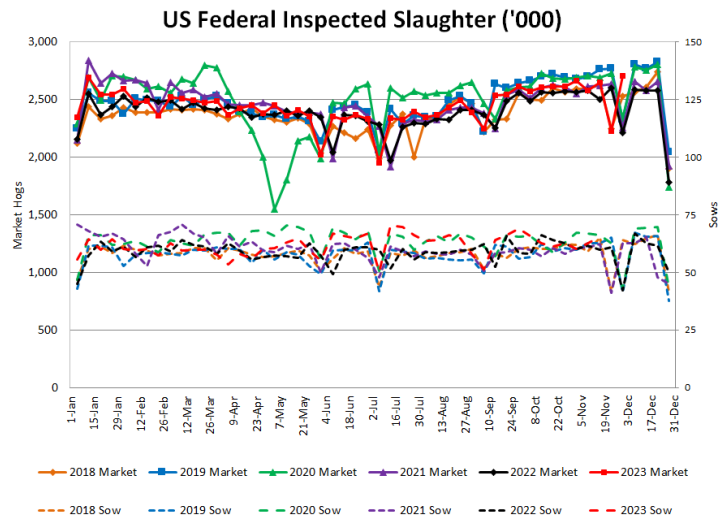
US pork production rose +21.8% or 103.4 million lbs higher than the previous holiday week to 577.7 million pounds for the latest week, bringing production +3.0% over last year and up +0.4% compared to last YTD.

Weekly average barrow and gilt weights in the ISM reporting area for the week ending Dec 2nd were reported at 290.6 lbs, up 0.9 lbs or +0.3% from a week earlier and +1.5% over year-ago levels. Year-to-date, current hog weights are -0.3% under the same weeks in 2022.

Canadian federally inspected market hog slaughter for the week ending Nov 25th at 422.8 thousand head increased 2.0 thousand or +0.5% on the week, however is -0.8% under last year though is +0.3% compared to the same weeks in 2022.

Canadian sow slaughter was reported at 2,061 head for the same week, rising 108 head or +5.5% from the week previous. Compared to last year, current Canadian sow slaughter rates are up +31.6% from the same week last year and +18.3% over last year-to-date.

Canadian pork production numbers are estimates derived from current slaughter rates and an annual average of slaughter hog weights. Based on the latest slaughter rates Canadian pork production for last week was up +0.5% or 233 MT higher, and is +1.1% over year-ago and last year-to-date levels.



Weekly Hog Price Recap

Regional and national cash hogs continue to decline, falling much of the week despite starting the week higher. CME cash again fell daily, with mid-week declines more moderate compared to other days. Most wholesale pork primal values finished lower with exception to hams which improved +3.7% and ribs up +0.4%, bringing US pork cutout -\$0.06/cwt under the week previous.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	01-Dec-23	Head	24-Nov-23		
ISM pm		\$56.63		\$60.44	-\$3.81	-6.3%
WCB pm		\$56.47		\$59.44	-\$2.98	-5.0%
Nat pm		\$57.91		\$61.23	-\$3.32	-5.4%
CME Index*		\$71.49		\$74.05	-\$2.56	-3.5%
Sows, 300-449lbs	15,045	\$53.72	8,046	\$58.60	-\$4.88	-8.3%
Sows, 500+ lbs	12,051	\$59.04	7,777	\$63.84	-\$4.80	-7.5%
BoC Exch		1.3579		1.3694	-0.0115	-0.8%

* Represents Friday-Thursday average

Monitored hog markets were \$2-\$9 per hog lower on the week. Market hogs out of Ontario dropped \$9/hog, followed by those off the ML Sig 4 which fell \$7/hog. The OlyW 20 was down \$6.65/hog, while the OlyW 21 was \$4.80/hog lower and BP4/TCP4 down \$4.25/hog. Hogs out of Quebec fell \$3.15/hog while Hylife hogs declined \$2.20/hog. In the US, Tyson hogs dropped \$10.65/hog while JM hog values fell \$6.20/hog from the previous week.

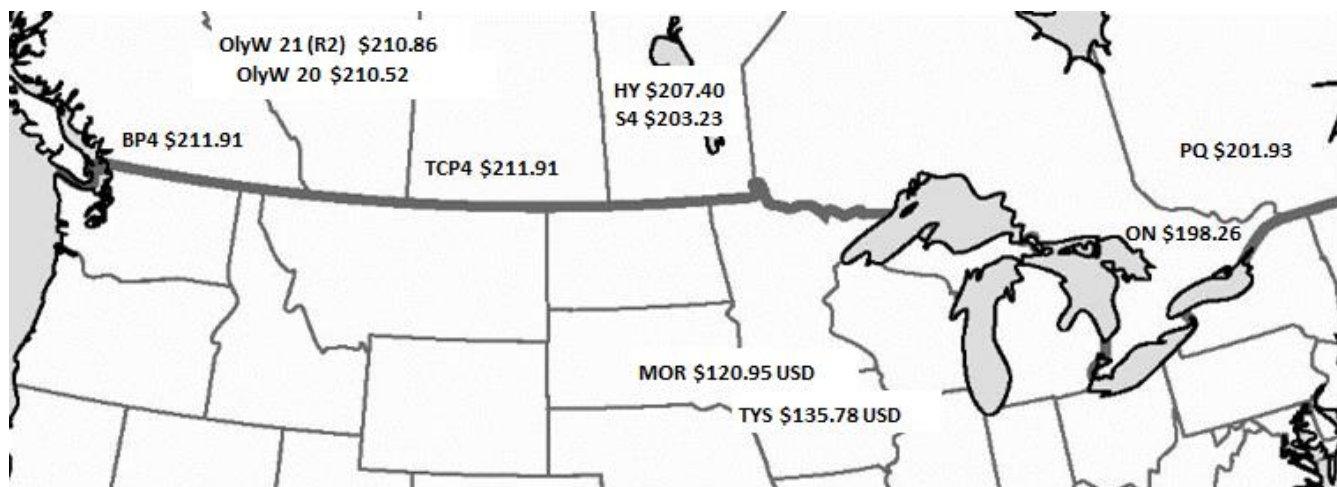
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 01-Dec-23	Difference to OlyW21
IPM (MMS 5.0)	\$239.16		\$233.03		\$232.78		\$221.63	
OlyW 2021 (R2)**	\$233.84		\$225.87		\$227.60		\$210.86	
OlyW 2020*	\$246.20	\$12.36	\$234.93	\$9.06	\$233.02	\$5.43	\$210.52	-\$0.33
ML Sig 4	\$235.36	\$1.52	\$228.94	\$3.07	\$224.54	-\$3.06	\$203.23	-\$7.63
BP4/TCP4	\$237.51	\$3.67	\$231.51	\$5.64	\$230.12	\$2.52	\$211.91	\$1.06
Hylife	\$235.67	\$1.83	\$227.47	\$1.61	\$224.33	-\$3.27	\$207.40	-\$3.45
Ontario***	\$240.06	\$6.22	\$228.54	\$2.67	\$224.78	-\$2.81	\$198.26	-\$12.60
Québec (overall)	\$230.78	-\$3.05	\$214.56	-\$11.31	\$217.48	-\$10.11	\$201.93	-\$8.92
Tyson (USD)	\$193.45	-\$40.39	\$177.57	-\$48.30	\$162.58	-\$65.02	\$135.78	-\$75.07
John Morrell (USD)	\$187.46	-\$46.38	\$170.13	-\$55.74	\$150.17	-\$77.43	\$120.95	-\$89.91

* 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, however another reduction in feed costs was moderately supportive. Canadian farrow-to-finish feed costs fell \$2.15/hog while those in the monitored US region were down \$0.70/hog from a week earlier.

Hylife hog margins were nearly unchanged at \$12.35/hog losses, followed by those off the ML Sig 4 which weakened \$4.85 to \$16.55/hog losses. OlyW 21 margins declined \$2.65 to \$20.50/hog losses, while OlyW 20 margins weakened \$4.50 to \$20.85/hog losses. Quebec hogs declined \$1 to \$24.40/hog losses while Ontario margins weakened \$6.85 to \$27.80/hog losses. In the US, Tyson hog margins dropped shy of \$10 to \$25.10/hog losses while JM margins weakened \$5.50 to \$38.20/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	01-Dec-23	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$210.52	\$167.87	\$41.45	\$22.05	\$231.37	-\$20.85
OlyW 21 (R2)/Alberta	\$210.86	\$167.87	\$41.45	\$22.05	\$231.37	-\$20.51
ML Sig 4/Manitoba	\$203.23	\$156.67	\$41.54	\$21.55	\$219.76	-\$16.53
Hylife/Manitoba	\$207.40	\$156.67	\$41.54	\$21.55	\$219.76	-\$12.36
Ontario	\$198.26	\$157.60	\$42.71	\$25.76	\$226.07	-\$27.81
Québec (overall)	\$201.93	\$160.17	\$42.50	\$23.65	\$226.32	-\$24.39
Tyson (USD)/Iowa	\$135.78	\$111.62	\$30.70	\$18.57	\$160.89	-\$25.11
John Morrell (USD)/ND	\$120.95	\$109.89	\$30.70	\$18.57	\$159.16	-\$38.21

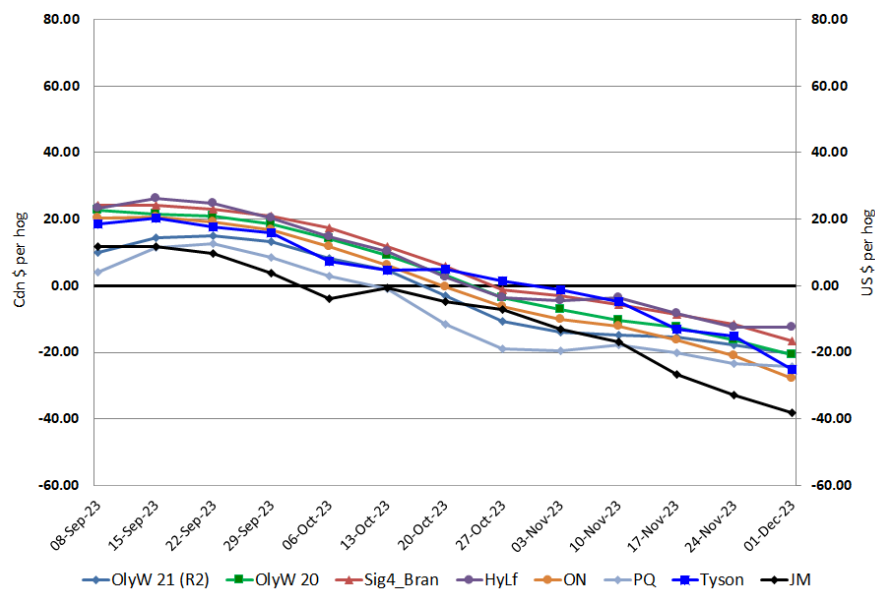
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: $\$(25.11)$ USD x 1.3579 = $\$(34.10)$ CAD
 Morrell: $\$(38.21)$ USD x 1.3579 = $\$(51.89)$ CAD

Canadian & US Margins Last 13 weeks



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