



Weekly Regional HOG PRICE Report



Things to Consider....

January 16, 2024

The latest monthly US livestock and meat trade data recorded pork exports at 607.5 million pounds, rising 35.3m pounds in November and brings current pork exports 29.5m pounds over a year earlier. Compared to last year-to-date, US pork exports for 2023 are up 397.7m pounds or +6.9% higher compared to the same months in 2022.

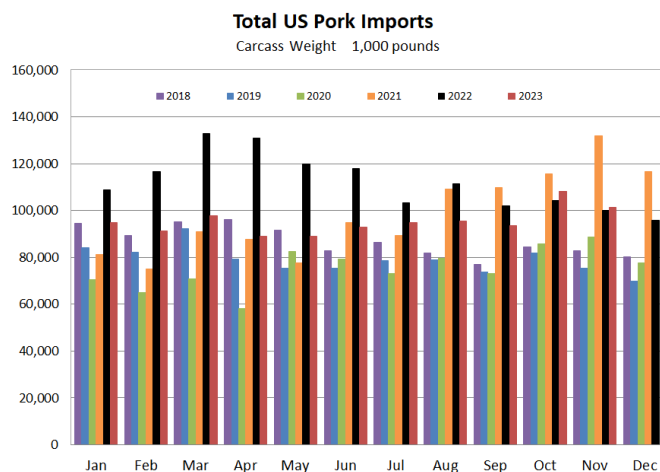
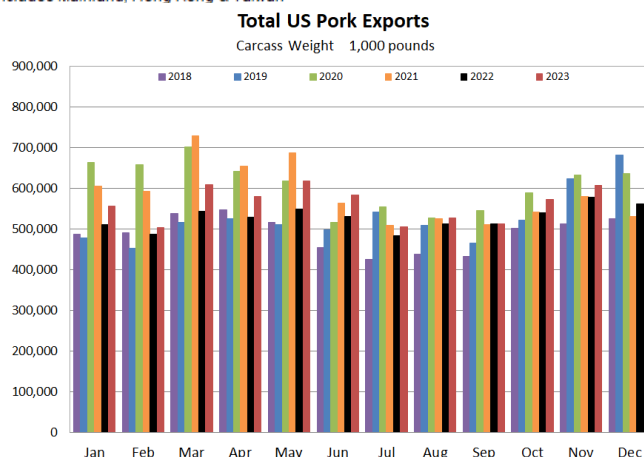
Most destinations for US pork reported increases in November. US pork to South Korea recorded the largest month-over-month rise, up 10.6m pounds from October and 7.1m pounds over last year. US pork to Japan increased by 8.9m pounds and is 1.5m pounds over last year, followed by Canada which rose 8.2m pounds on the month and is 1.3m pounds over a year earlier. Other destinations for US pork recorded more moderate increases - generally up around 2.0m pounds each, including; Australia, Guatemala, Chile, Colombia & Honduras.

US pork to China* (including Hong Kong & Taiwan) fell the most on the month, down 5.4m pounds from October and 34.3m pounds under a year earlier, while Mexico declined 3.1m pounds on the month but is 18.0m pounds over November 2022. US pork to the Philippines was also lower in the latest data, down another 1.4m pounds from previously reported and is 2.6m pounds under last year.

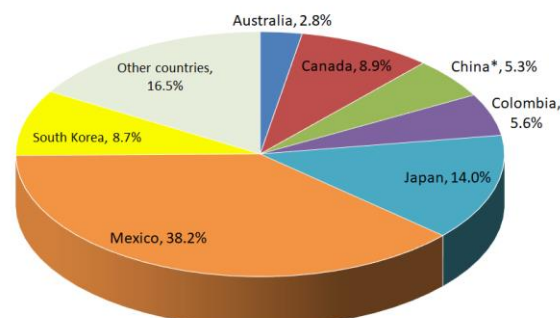
US pork imports fell in November from most locations, down 6.8m pounds or -6.3% from October however brings the latest imports 1.5m pounds or +1.5% over last year. Imports from Brazil and Italy were down the most, 2.9 and 2.5 million pounds lower respectively, with both locations also under year-ago levels. Imports from Canada climbed 451 thousand pounds on the month however is 362 thousand pounds under last year. Year-to-date, total US pork imports are 199.6m pounds or -16.0% under the same months last year. For comparison, the US imported 11.7m pounds more pork from Canada than it exported to the country in the month of November.

US Pork Exports (carcass weight, 1,000 pounds)						
Top 7 Countries	Nov-22	Oct-23	Nov-23	M/M%	Y/Y%	YTD/LYTD%
Australia	5,650	14,997	16,777	11.9%	196.9%	80.2%
Canada	52,732	45,831	54,020	17.9%	2.4%	8.6%
China*	66,707	37,857	32,414	-14.4%	-51.4%	-6.8%
Colombia	23,133	31,692	33,812	6.7%	46.2%	-6.9%
Japan	83,738	76,320	85,205	11.6%	1.8%	-2.0%
Mexico	214,157	235,314	232,182	-1.3%	8.4%	9.2%
South Korea	45,975	42,429	53,071	25.1%	15.4%	5.0%
All US Pork Exports	578,037	572,239	607,520	6.2%	5.1%	6.9%

*Includes Mainland, Hong Kong & Taiwan



Percentage of Total US Pork Exports: Latest, Nov 2023



Weekly Hog Price Recap

Cash hogs varied during the week, with national cash up overall while regional cash moved higher in the front-half of the week and lower into the back-half though went unreported Friday. CME cash moved lower at the start and end of the week, however mid-week rises helped it finish above the previous week's average. Wholesale pork primal values finished mixed however significantly stronger bellies and more moderate rises in ribs and loins supported US pork cutout \$1.23/cwt over a week earlier.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	12-Jan-24	Head	05-Jan-24		
ISM pm		\$45.53		\$45.65	-\$0.12	-0.3%
WCB pm		\$45.46		\$45.52	-\$0.05	-0.1%
Nat pm		\$45.19		\$44.97	\$0.22	0.5%
CME Index*		\$66.26		\$65.49	\$0.77	1.2%
Sows, 300-449lbs	13,037	\$32.91	11,026	\$35.02	-\$2.11	-6.0%
Sows, 500+ lbs	12,375	\$38.52	9,633	\$41.47	-\$2.95	-7.1%
BoC Exch		1.3388		1.3343	0.0045	0.3%

* Represents Friday-Thursday average

Monitored Canadian hog markets generally improved \$3-\$4 per hog on the week, with exception to the lagged BP4/TCP4 pricing which climbed \$0.65/hog and Hylife which surged shy of \$7/hog higher. Quebec hogs rose \$4.85/hog from previously reported, while the OlyW 21 was up \$3.50, the OlyW 20 and Ontario hogs were each up \$3/hog and the ML Sig 4 improved \$2.50/hog. In the US, Tyson hogs fell \$1.55/hog while JM hog values slipped \$0.10/hog from the previous week.

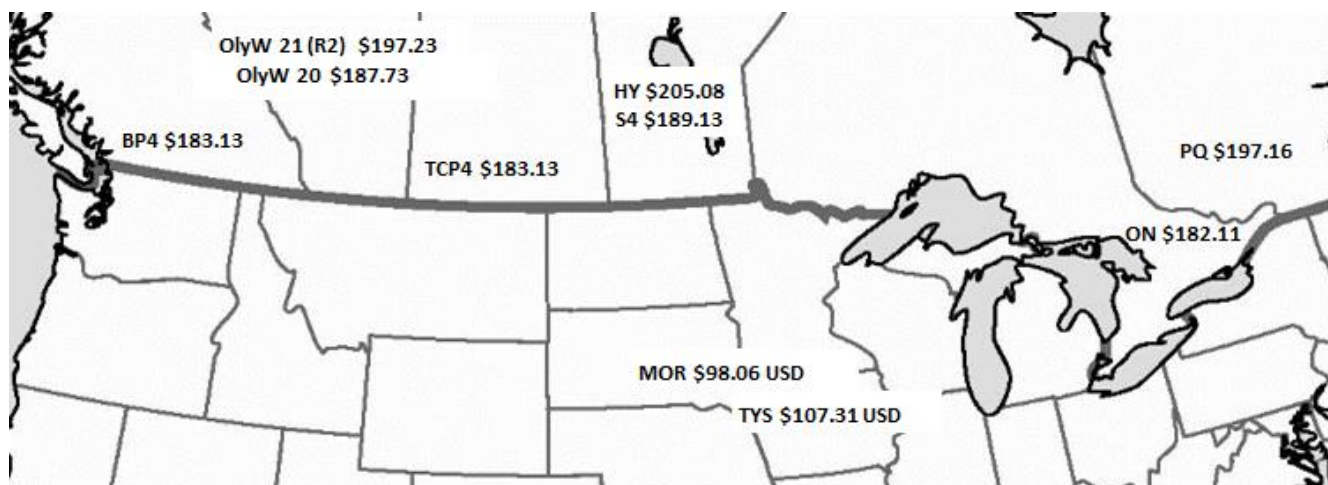
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 12-Jan-24	Difference to OlyW21
IPM (MMS 5.0)	\$240.49		\$231.64		\$221.08		\$219.05	
OlyW 2021 (R2)**	\$234.44		\$224.03		\$210.09		\$197.23	
OlyW 2020*	\$246.47	\$12.03	\$231.92	\$7.89	\$208.98	-\$1.11	\$187.73	-\$9.50
ML Sig 4	\$235.90	\$1.46	\$226.14	\$2.11	\$204.03	-\$6.06	\$189.13	-\$8.10
BP4/TCP4	\$232.15	-\$2.29	\$223.30	-\$0.72	\$203.55	-\$6.54	\$183.13	-\$14.11
Hylife	\$236.51	\$2.07	\$225.49	\$1.46	\$208.86	-\$1.23	\$205.08	\$7.84
Ontario***	\$240.41	\$5.97	\$225.17	\$1.14	\$199.89	-\$10.21	\$182.11	-\$15.12
Québec (overall)	\$231.13	-\$3.31	\$213.06	-\$10.97	\$202.11	-\$7.99	\$197.16	-\$0.07
Tyson (USD)	\$192.94	-\$41.50	\$172.89	-\$51.14	\$135.27	-\$74.82	\$107.31	-\$89.93
John Morrell (USD)	\$186.86	-\$47.58	\$165.13	-\$58.90	\$122.62	-\$87.47	\$98.06	-\$99.17

* 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 improved on generally higher hog values and supported by another decline in feed costs. Farrow-to-finish feed costs on either side of the Canadian/US border fell \$1.75-\$1.85/hog from a week earlier.

Hylife hog margins strengthened \$8.70 to \$7.15/hog losses on the week, while Quebec margins improved \$6.65 to \$21.65/hog losses and those off the ML Sig 4 were up \$4.30 to \$23.10/hog losses. OlyW 21 hog margins strengthened \$5.30 to \$26.65/hog losses while OlyW 20 margins improved \$4.75 to \$36.15/hog losses, and Ontario hog margins were up \$4.80 to \$36.45/hog losses. In the US, Tyson hog margins edged \$0.30 higher to \$48.65/hog losses while JM margins recovered \$1.75 to \$56.15/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	12-Jan-24 Hog Price	Farrow to Finish Feed*	Variable	Fixed	Total COP	Weekly Margin
OlyW 20/Alberta	\$187.73	\$160.36	\$41.45	\$22.05	\$223.86	-\$36.13
OlyW 21 (R2)/Alberta	\$197.23	\$160.36	\$41.45	\$22.05	\$223.86	-\$26.63
ML Sig 4/Manitoba	\$189.13	\$149.16	\$41.54	\$21.55	\$212.25	-\$23.12
Hylife/Manitoba	\$205.08	\$149.16	\$41.54	\$21.55	\$212.25	-\$7.17
Ontario	\$182.11	\$150.09	\$42.71	\$25.76	\$218.56	-\$36.45
Québec (overall)	\$197.16	\$152.66	\$42.50	\$23.65	\$218.81	-\$21.65
Tyson (USD)/Iowa	\$107.31	\$106.68	\$30.70	\$18.57	\$155.95	-\$48.64
John Morrell (USD)/ND	\$98.06	\$104.95	\$30.70	\$18.57	\$154.22	-\$56.16

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

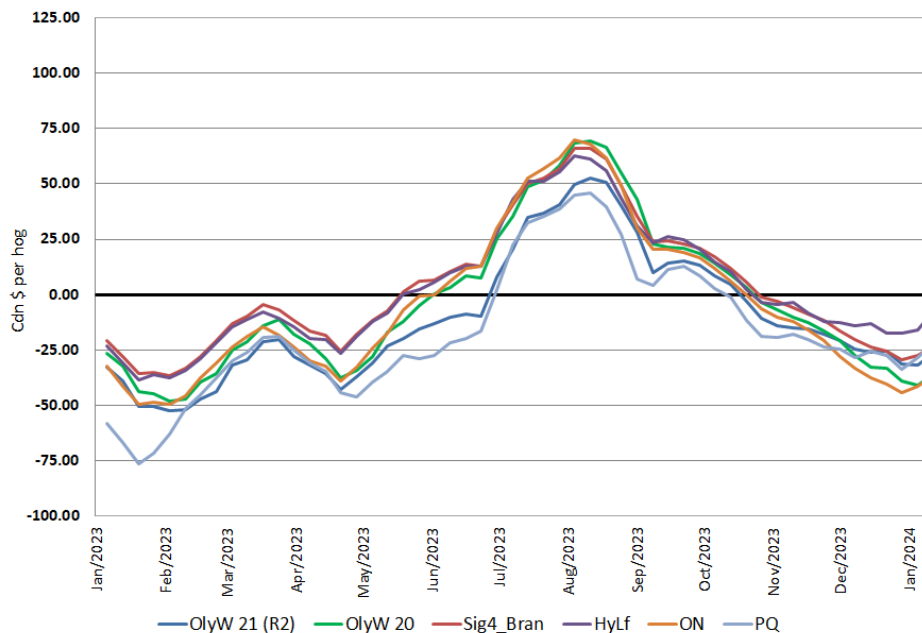
* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: \$(48.64) USD x 1.3483 = \$(65.58) CAD

Morrell: \$(56.16) USD x 1.3483 = \$(75.72) CAD

Canadian Margins 2023-2024



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