



Weekly Regional HOG PRICE Report



Things to Consider....

January 2, 2024

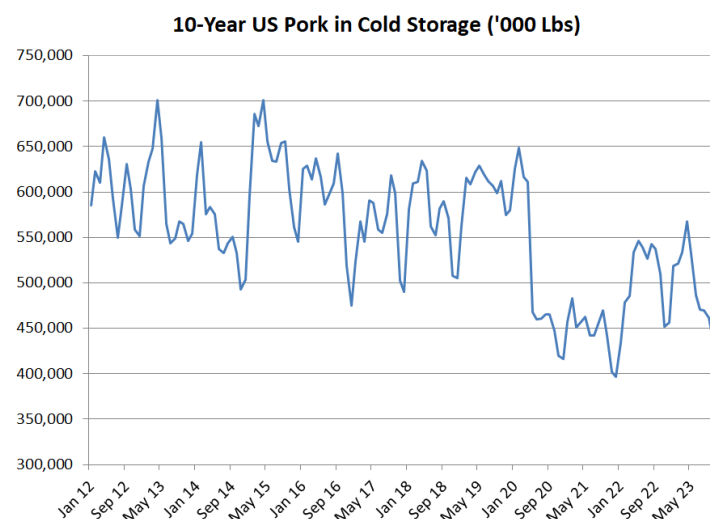
The latest US Cold Storage numbers reported pork stocks at 416.1 million pounds for November, down 21.8m pounds from October and 35.5m pounds under year-ago levels. Notably, October's cold storage amount was revised +0.5% higher from 435.9m pounds up to 437.9m pounds.

The large month-over-month decline is primarily a result of the seasonal drop in ham supplies, which typically fall from August or September through to the end of the year. Total hams dropped 55.3m pounds from October stocks with current supplies 3.0m pounds over a year earlier. Other pork categories recorded more moderate declines with unclassified pork down 1.0m pounds on the month but is 2.3m lbs over last year, other pork slipped 462 thousand pounds from October but is 736 thousand lbs over Nov 2022 and pork butts fell 453 thousand pounds for November and is 3.2m lbs under a year earlier.

Pork bellies in cold storage rose 18.9m pounds for November however is 7.5m pounds under a year earlier. Trimmings rose 6.9m pounds from October stocks and is near even with last year, while spare-ribs increased 6.6m pounds in November bringing them 34.5m pounds under 2022 (an exceptional high period for the primal). Variety meats were up 1.3m pounds on the month and modestly higher than a year earlier, while total loins in cold storage climbed 1.2m pounds from last reported and is 1.1m pounds over last year.

The quarterly Hogs and Pigs report released Dec 22nd reflected an increase in inventory overall from a year-ago, coming in above market analysts' pre-report expectations which anticipated lower hog supplies. All Hogs and Pigs fell 352 thousand head or -0.5% from previously reported in September, with the current inventory 1.9 million head under last year. Market hogs declined 171 thousand head or -0.2% from the previous quarter, while the breeding herd was 180 thousand head or -2.9% lower than reported in September.

US Pork in Cold Storage					
('000 lbs)	Nov-23	Oct-23	Nov-22	M/M	Y/Y
Picnics	7,253	6,725	4,854	7.9%	49.4%
Hams	58,251	113,570	55,284	-48.7%	5.4%
Bellies	46,976	28,061	54,429	67.4%	-13.7%
Loins	40,516	39,335	39,379	3.0%	2.9%
Ribs	76,667	70,095	111,143	9.4%	-31.0%
Butts	19,073	19,526	22,273	-2.3%	-14.4%
Trimmings	44,724	37,795	44,744	18.3%	-0.0%
Other	51,500	51,962	50,764	-0.9%	1.4%
Variety	22,909	21,591	22,765	6.1%	0.6%
Unclassified	48,225	49,241	45,963	-2.1%	4.9%
Total Pork	416,094	437,901	451,598	-5.0%	-7.9%



Quarterly H&P - Dec 2023						
(1,000 head)	2022	2023	%23/22	Est's	%Act-Est	
All Hogs and Pigs	73,119	74,971	102.5%	99.4%	3.1%	
Kept for Breeding	6,154	5,999	97.5%	99.0%	-1.5%	
Market Hogs	66,966	68,973	103.0%	99.4%	3.6%	
Mkt hog Wt. Groups						
Under 50 pounds	21,153	21,681	102.5%	98.3%	4.2%	
50-119 pounds	18,620	19,039	102.3%	98.7%	3.6%	
120-179 pounds	14,095	14,908	105.8%	100.1%	5.7%	
180 pounds and over	13,098	13,344	101.9%	101.7%	0.2%	
Sep-Nov Pig Crop	34,701	34,617	99.8%	97.9%	1.9%	
Sep-Nov Pigs per Litter	11.22	11.66	103.9%	102.5%	1.4%	
Sows Farrowing						
Sep-Nov	3,092	2,968	96.0%	95.6%	0.4%	
Dec-Feb intentions	2,952	2,900	98.2%	98.7%	-0.5%	
Mar-May intentions	2,941	2,907	98.8%	100.0%	-1.2%	

Weekly Hog Price Recap

Regional and national cash hogs continue to slide lower, with Friday down the most during the holiday-shortened week. CME cash was also lower overall with the start of the week recording the greatest decline. Wholesale pork primal values varied however most averaged below the week previous, with higher belly and ham values supporting US pork cutout \$0.61/cwt over a week earlier.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	29-Dec-23	Head	22-Dec-23		
ISM pm		\$46.89		\$48.37	-\$1.47	-3.0%
WCB pm		\$46.05		\$47.71	-\$1.67	-3.5%
Nat pm		\$45.69		\$47.78	-\$2.10	-4.4%
CME Index*		\$65.56		\$66.49	-\$0.93	-1.4%
Sows, 300-449lbs	10,652	\$37.55	12,276	\$41.02	-\$3.47	-8.5%
Sows, 500+ lbs	9,500	\$43.83	12,023	\$45.86	-\$2.03	-4.4%
BoC Exch		1.3214		1.3326	-0.0112	-0.8%

* Represents Friday-Thursday average

Monitored hog markets were generally \$3.50-\$6 per hog lower on the week, excluding Hylife which edged \$0.25/hog higher from previously reported. Markets derived from lagged base pricing were down the most with Quebec \$6/hog lower, the OlyW 21 down \$5.80/hog, the OlyW 20 \$5.50/hog lower and BP4/TCP4 declined \$5/hog. The ML Sig 4 fell \$4/hog and hog values out of Ontario were down \$3.55/hog. In the US, Tyson hogs fell \$2.55/hog while JM hog values were down \$3.45/hog from the previous week.

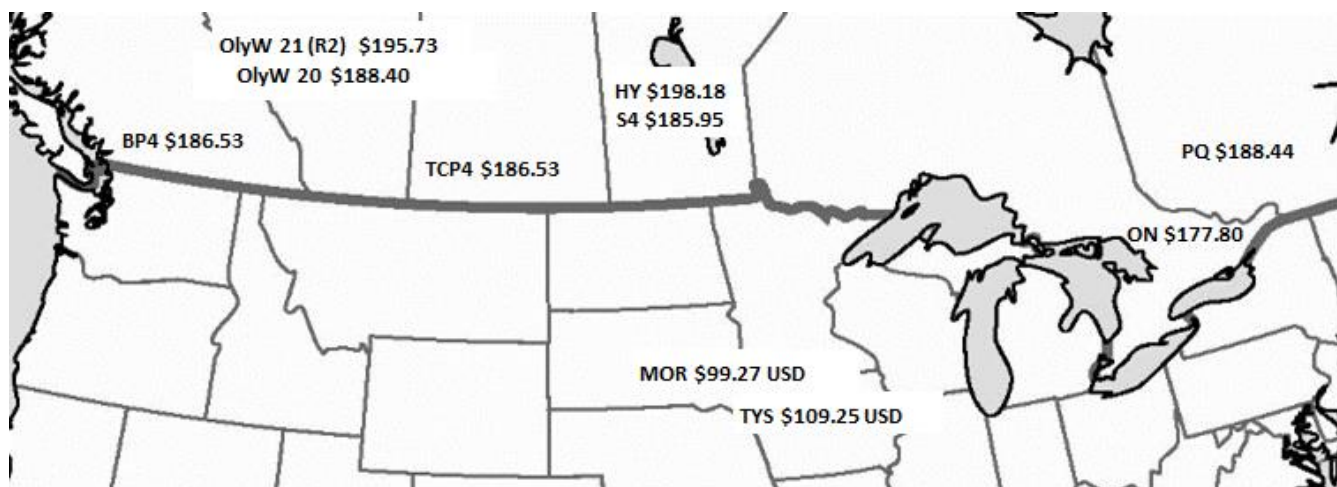
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 29-Dec-23	Difference to OlyW21
IPM (MMS 5.0)	\$239.97		\$231.84		\$224.67		\$214.94	
OlyW 2021 (R2)**	\$234.20		\$224.03		\$216.20		\$195.73	
OlyW 2020*	\$246.36	\$12.15	\$231.92	\$7.89	\$217.31	\$1.11	\$188.40	-\$7.33
ML Sig 4	\$235.67	\$1.47	\$226.14	\$2.11	\$210.77	-\$5.44	\$185.95	-\$9.78
BP4/TCP4	\$231.99	-\$2.22	\$223.30	-\$0.72	\$211.02	-\$5.18	\$186.53	-\$9.20
Hylife	\$236.12	\$1.91	\$225.49	\$1.46	\$213.17	-\$3.03	\$198.18	\$2.45
Ontario***	\$240.22	\$6.02	\$225.17	\$1.14	\$207.86	-\$8.34	\$177.80	-\$17.93
Québec (overall)	\$230.91	-\$3.30	\$213.06	-\$10.97	\$206.72	-\$9.49	\$188.44	-\$7.29
Tyson (USD)	\$193.11	-\$41.09	\$172.89	-\$51.14	\$144.10	-\$72.10	\$109.25	-\$86.48
John Morrell (USD)	\$187.04	-\$47.17	\$165.13	-\$58.90	\$131.44	-\$84.77	\$99.27	-\$96.46

* 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 were primarily weaker on lower hog values overall, further pressured by a rise in feed costs. Canadian farrow-to-finish feed costs edged \$0.15/hog higher while those in the monitored US region increased nearly \$1/hog from a week earlier.

Hylife hog margins improved modestly, up \$0.15 to \$17.35/hog losses on the week, followed by ML Sig 4 margins which weakened \$4.25 to \$29.55/hog losses. OlyW 21 hog margins weakened \$6 to \$31.40/hog losses, while those out of Quebec were \$6.10 lower to \$33.65/hog losses. OlyW 20 margins weakened \$5.60 to \$38.70/hog losses while Ontario hog margins declined \$3.75 to \$44/hog losses. In the US, Tyson hog margins were down \$3.50 to \$50.55/hog losses while JM margins weakened \$4.45 to \$58.75/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	29-Dec-23		Farrow to Finish		Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$188.40	\$163.62	\$41.45	\$22.05	\$227.12	-\$38.72
OlyW 21 (R2)/Alberta	\$195.73	\$163.62	\$41.45	\$22.05	\$227.12	-\$31.39
ML Sig 4/Manitoba	\$185.95	\$152.42	\$41.54	\$21.55	\$215.51	-\$29.56
Hylife/Manitoba	\$198.18	\$152.42	\$41.54	\$21.55	\$215.51	-\$17.33
Ontario	\$177.80	\$153.35	\$42.71	\$25.76	\$221.82	-\$44.02
Québec (overall)	\$188.44	\$155.92	\$42.50	\$23.65	\$222.07	-\$33.63
Tyson (USD)/Iowa	\$109.25	\$110.51	\$30.70	\$18.57	\$159.78	-\$50.53
John Morrell (USD)/ND	\$99.27	\$108.78	\$30.70	\$18.57	\$158.05	-\$58.78

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

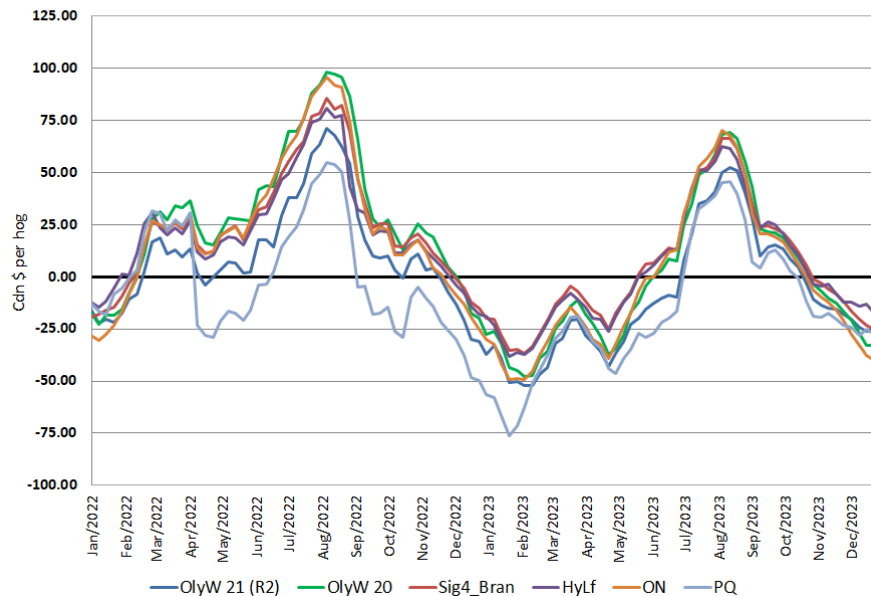
* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: **\$(50.53)** USD x 1.3316 = **\$(67.29)** CAD

Morrell: **\$(58.78)** USD x 1.3316 = **\$(78.27)** CAD

Canadian Margins 2022-2023



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