



Weekly Regional HOG PRICE Report



Things to Consider....

January 9, 2024

Canadian domestic pork exports for November at 109.3 thousand MT were up +6.5% from the previous month and +9.2% over last year. Overall, export values for the same period increased +6.0% from October and +11.4% over a year earlier.

Total swine carcass and cut exports climbed +3.7% for November to 66.8 thousand MT, bringing current exports up +0.6% on the year. Overall values rose +4.7% on the month and +5.8% over year-ago values. For perspective, November's value per unit of \$3.86/KGM increased +0.9% from a month earlier and +5.1% over last year.

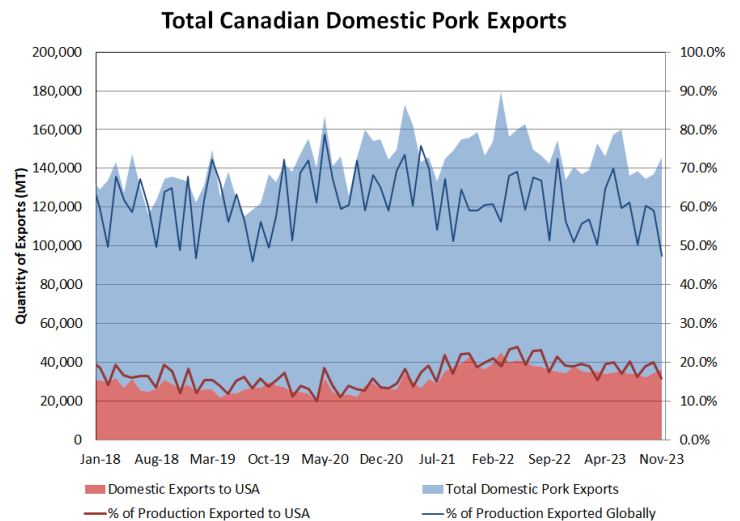
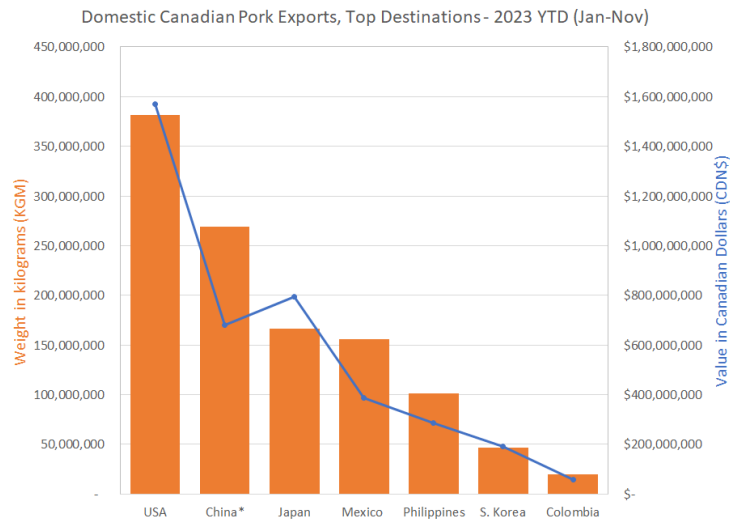
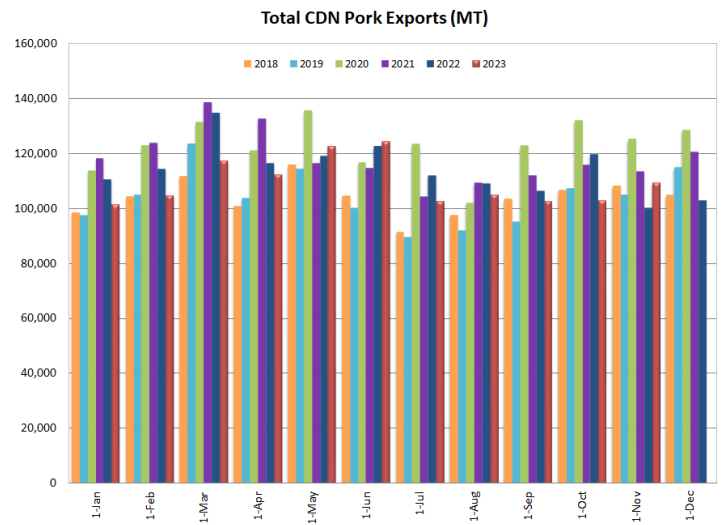
Total ham exports rose +11.5% from October to 20.4 thousand MT, bringing them +40.0% over last year (the second lowest month recorded in more than 3 years), while the values of these exports were up +8.5% on the month and +32.7% over year-ago values. For perspective, the latest value per unit at \$3.63/KGM fell -2.7% from October and -5.2% under last year.

Belly exports were up +3.9% to 2.0 thousand MT in the latest data, bringing current exports +31.2% over last year's particularly low trade. Belly export values were up +6.4% for November and +24.0% over last year. For perspective, belly values per unit at \$7.16/KGM increased +2.5% from October but fell -5.5% compared to last year.

Pork shoulder exports dropped -18.0% for November to 64.5 thousand MT, however rose a staggering +97.9% over last year. For perspective, shoulder values per unit at \$7.88/KGM fell -4.9% on the month and -17.6% compared to last year.

Edible swine offal increased +4.6% into November to 12.3 thousand MT, bringing them +18.6% over a year earlier. For perspective, swine offal values per unit of \$2.48/KGM rose +5.2% from October and +3.1% over last year.

Notably, the percentage of Canadian pork production exported globally dipped to 47.5% in November, compared to the 12-month average of 58.0%. The percentage of Canadian pork production exported to the United States at 15.7% fell below the 12-month average of 18.7%.



Weekly Hog Price Recap

Cash hogs varied during the week, with national cash buoying up and down while regional cash was higher in the front-half of the week and lower the back-half. CME cash was also mixed, with improvements recorded mid-week nearly offsetting declines remaining days. Wholesale pork primal values also varied however significantly stronger bellies, ribs and hams supported US pork cutout \$1.14/cwt over a week earlier.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	05-Jan-24	Head	29-Dec-23		
ISM pm		\$45.65		\$46.89	-\$1.25	-2.7%
WCB pm		\$45.52		\$46.05	-\$0.53	-1.1%
Nat pm		\$44.97		\$45.69	-\$0.71	-1.6%
CME Index*		\$65.49		\$65.56	-\$0.07	-0.1%
Sows, 300-449lbs	11,026	\$35.02	10,652	\$37.55	-\$2.53	-6.7%
Sows, 500+ lbs	9,633	\$41.47	9,500	\$43.83	-\$2.36	-5.4%
BoC Exch		1.3343		1.3214	0.0129	1.0%

* Represents Friday-Thursday average

Monitored Canadian hog markets were generally as much as \$4/hog on the week, excluding those derived from lagged base pricing. Hylife rose \$4.40/hog higher from previously reported, while market hogs out of Quebec were up \$3.85/hog. Ontario hogs improved \$1.30/hog while those off the ML Sig 4 climbed \$0.65/hog. Markets derived from lagged base pricing were lower with the OlyW 21 down \$2/hog, the OlyW 20 \$3.65/hog lower and BP4/TC4 \$4/hog lower. In the US, Tyson hogs slipped \$0.40/hog while JM hog values were down \$1.10/hog from the previous week.

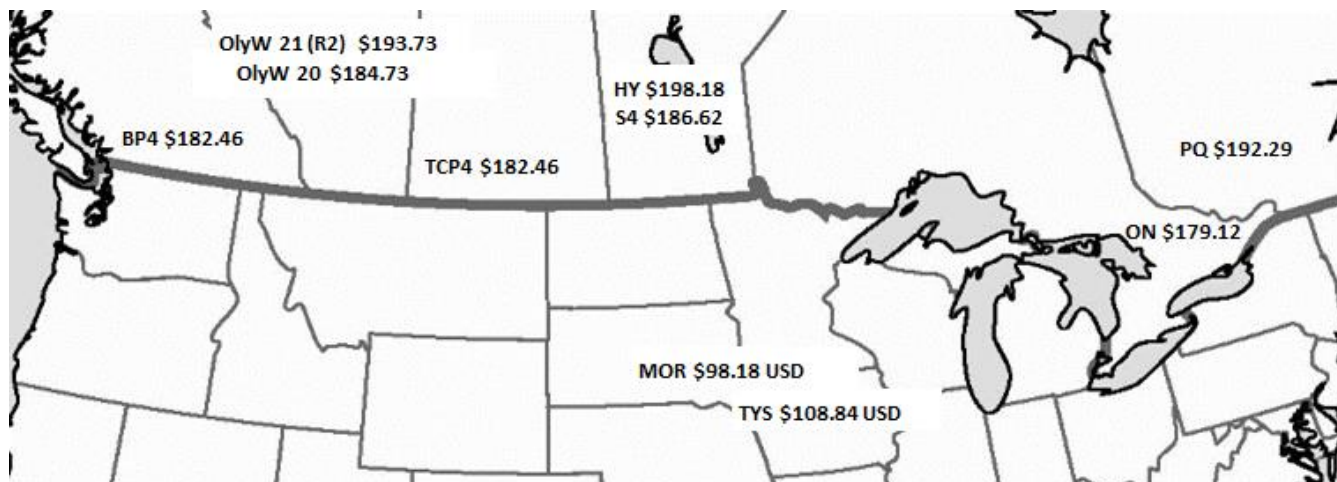
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2023 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 05-Jan-24	Difference to OlyW21
IPM (MMS 5.0)	\$240.16		\$231.64		\$222.11		\$215.28	
OlyW 2021 (R2)**	\$234.29		\$224.03		\$212.88		\$193.73	
OlyW 2020*	\$246.39	\$12.10	\$231.92	\$7.89	\$212.86	-\$0.02	\$184.73	-\$9.00
ML Sig 4	\$235.76	\$1.47	\$226.14	\$2.11	\$207.10	-\$5.78	\$186.62	-\$7.11
BP4/TCP4	\$232.06	-\$2.23	\$223.30	-\$0.72	\$207.21	-\$5.67	\$182.46	-\$11.27
Hylife	\$236.28	\$1.99	\$225.49	\$1.46	\$210.60	-\$2.28	\$198.18	\$4.45
Ontario***	\$240.29	\$6.00	\$225.17	\$1.14	\$203.56	-\$9.32	\$179.12	-\$14.61
Québec (overall)	\$230.97	-\$3.32	\$213.06	-\$10.97	\$204.09	-\$8.79	\$192.29	-\$1.44
Tyson (USD)	\$193.02	-\$41.27	\$172.89	-\$51.14	\$139.67	-\$73.22	\$108.84	-\$84.89
John Morrell (USD)	\$186.94	-\$47.35	\$165.13	-\$58.90	\$127.18	-\$85.70	\$98.18	-\$95.55

* 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 rising hog values and were further supported by a decline in feed costs. Canadian farrow-to-finish feed costs fell \$1.50/hog while those in the monitored US region decreased \$2/hog from a week earlier.

Hylife hog margins improved \$1.50 to \$15.85/hog losses on the week, while ML Sig 4 margins were up \$2.15 to \$27.40/hog losses and those out of Quebec strengthened \$5.35 to \$28.30/hog. OlyW 21 hog margins declined \$0.50 to nearly \$32/hog losses while OlyW 20 margins weakened \$2.20 to just shy of \$41/hog losses, and Ontario hog margins strengthened \$2.80 to \$41.20/hog losses. In the US, Tyson hog margins improved \$1.55 to \$49/hog losses while JM margins were up \$0.90 to \$57.85/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	05-Jan-24	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$184.73	\$162.14	\$41.45	\$22.05	\$225.64	-\$40.91
OlyW 21 (R2)/Alberta	\$193.73	\$162.14	\$41.45	\$22.05	\$225.64	-\$31.91
ML Sig 4/Manitoba	\$186.62	\$150.94	\$41.54	\$21.55	\$214.03	-\$27.41
Hylife/Manitoba	\$198.18	\$150.94	\$41.54	\$21.55	\$214.03	-\$15.85
Ontario	\$179.12	\$151.87	\$42.71	\$25.76	\$220.34	-\$41.22
Québec (overall)	\$192.29	\$154.44	\$42.50	\$23.65	\$220.59	-\$28.30
Tyson (USD)/Iowa	\$108.84	\$108.52	\$30.70	\$18.57	\$157.79	-\$48.95
John Morrell (USD)/ND	\$98.18	\$106.79	\$30.70	\$18.57	\$156.06	-\$57.88

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

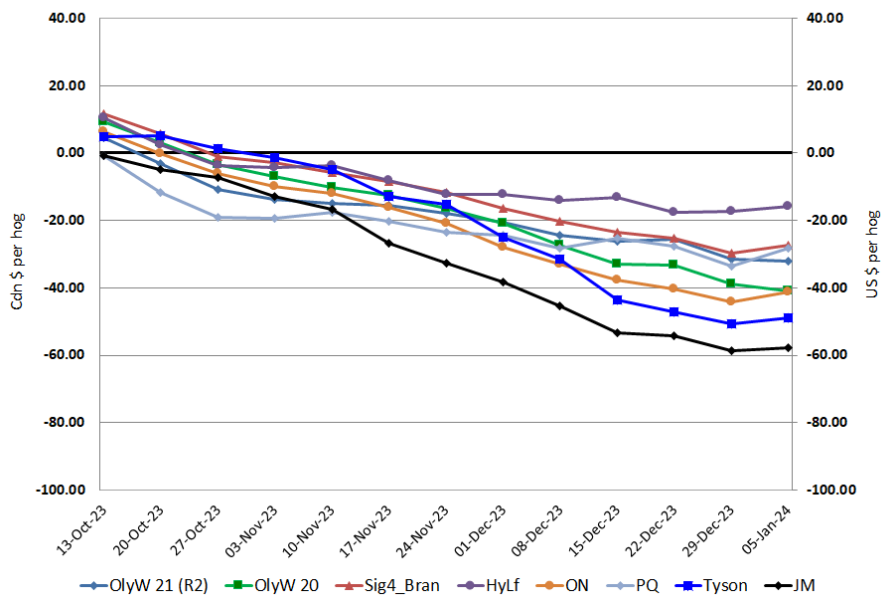
* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: \$(48.95) USD x 1.3391 = \$(65.55) CAD

Morrell: \$(57.88) USD x 1.3391 = \$(77.51) CAD

Canadian & US Margins Last 13 weeks



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