



Weekly Regional HOG PRICE Report



February 13, 2024

Things to Consider....

US **retail bacon** fell 2.4% from the month previous with the average January price at \$6.61/lb, the lowest recorded in 5-months, and brought the latest prices -2.8% under year-ago levels. For comparison, current retail bacon prices are near even with the 3-year average for the month of January. **Wholesale belly** values surged higher in January, rising 42.1% to \$124.46/cwt, with current values +36.9% over the year previous. Notably, wholesale belly values are \$21.67/cwt under the 3-year historical average.

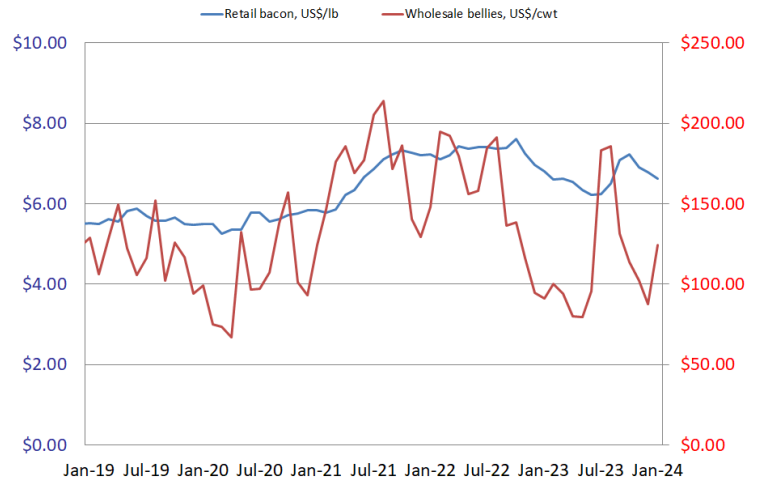
All **retail chops** declined -0.5% to \$4.24/lb for January, bringing the latest retail chop prices -4.9% under last year. For comparison, current retail price levels are \$0.18 over the 3-year average for the month of January. **Boneless chops** dipped -0.7% to \$4.52/lb, bringing boneless chops +5.6% over last year. **Bone-in chops** rose +4.8% to \$4.53/lb, bringing the cut -0.9% under year-ago levels. **Wholesale loin** values climbed +1.2% from the previous month to \$84.08/cwt in January, bringing current loin values +1.7% over last year. Notably, September loin values are \$10.07/cwt under the 3-year historical average.

All **retail hams** edged +0.3% higher to \$44.41/lb for January, bringing hams +2.7% over year-ago levels. Current retail price levels are \$0.54 over the 3-year average for the month of January. **Boneless hams** increased +0.6% to \$5.53/lb on the month, bringing the cut +0.9% over last year. **Wholesale ham** values averaged \$75.08/cwt which was down -5.3% from December values, bringing the latest values -1.5% under year-ago levels and \$10.66/cwt under the 3-year average.

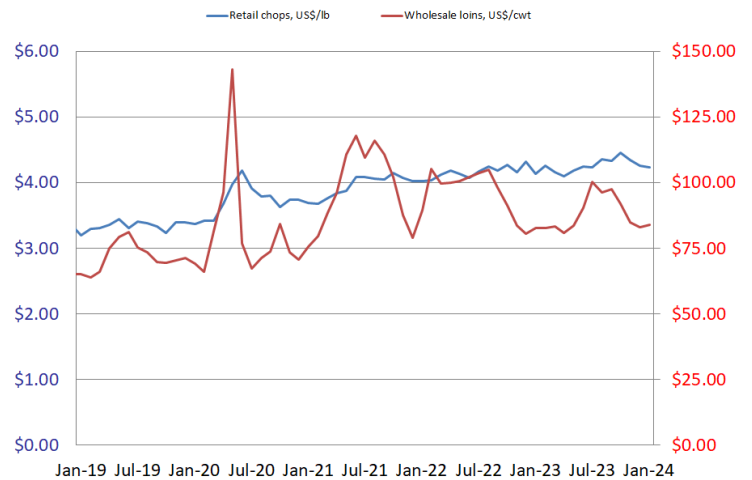
The category reporting **other retail pork** prices fell -0.9% to \$3.61/lb, bringing other pork near even with last year. Current levels are 8 cents over the 3-year average for the month of January.

Pork cutout in the month of January averaged \$87.01/cwt, rising +4.1% from December and up +7.4% compared to year-ago values. Notably, the latest monthly pork cutout levels are \$12.17/cwt under the 3-year average for January.

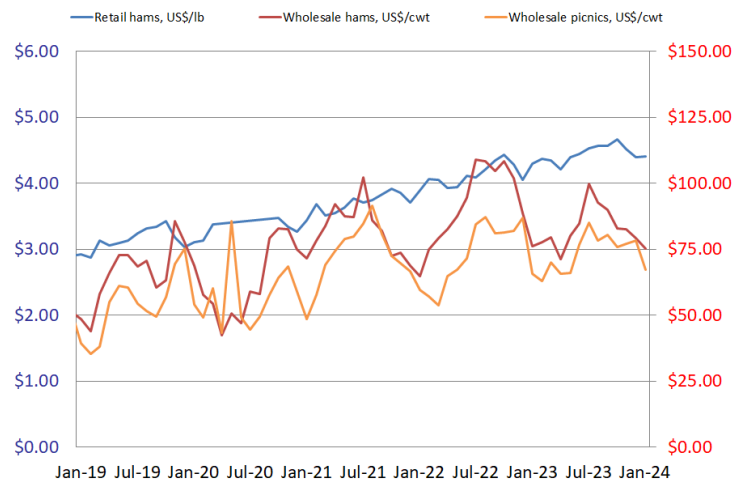
Retail Bacon VS Wholesale Bellies



Retail Chops VS Wholesale Loin



Retail Hams VS Wholesale Hams/Picnics



Weekly Hog Price Recap

Cash hogs varied during the week however most days reported were primarily lower, despite averaging above the previous week. Notably, regional cash went unreported multiple days. CME cash was high the front-half of the week higher however pulled back modestly the latter half, and also managed to average above the week previous. Wholesale pork primal values were mixed however steep declines in bellies and moderately lower picnics weighed US pork cutout \$2.40/cwt under the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	09-Feb-24	Head	02-Feb-24		
ISM pm		\$62.68		\$62.65	\$0.03	0.0%
WCB pm		\$64.25		\$62.55	\$1.70	2.7%
Nat pm		\$64.31		\$61.77	\$2.54	4.1%
CME Index*		\$73.81		\$72.06	\$1.75	2.4%
Sows, 300-449lbs	14,758	\$42.56	16,237	\$34.74	\$7.82	22.5%
Sows, 500+ lbs	13,281	\$48.50	12,163	\$40.22	\$8.28	20.6%
BoC Exch		1.3485		1.3423	0.0062	0.5%

* Represents Friday-Thursday average

Monitored hog markets were primarily higher, with Canadian markets generally up \$4/hog, however those with base pricing more dependant on pork cutout values declined on the week. The OlyW 20 was up the most, rising \$6.65/hog, while the OlyW 21 climbed \$1.50/hog. The ML Sig 4 and hogs out of Ontario were each up around \$4.85/hog, while BP4/TC4 improved \$4.35/hog. Quebec hogs fell \$3.40/hog while Hylife was down \$4.15/hog from the week previous. In the US, Tyson hogs jumped \$12.80/hog while JM hog values improved \$3.55/hog from a week earlier.

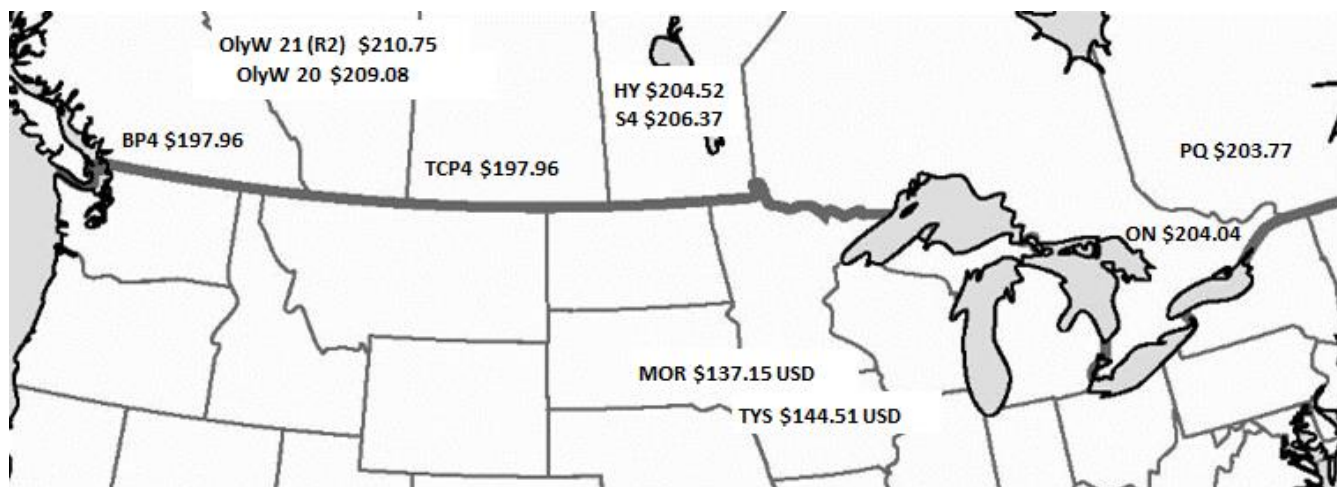
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2024 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 09-Feb-24	Difference to OlyW21
IPM (MMS 5.0)	\$241.43		\$219.83		\$219.30		\$216.30	
OlyW 2021 (R2)**	\$235.20		\$202.91		\$205.45		\$210.75	
OlyW 2020*	\$247.16	\$11.97	\$195.35	-\$7.56	\$200.37	-\$5.08	\$209.08	-\$1.68
ML Sig 4	\$236.65	\$1.45	\$195.63	-\$7.28	\$197.83	-\$7.63	\$206.37	-\$4.38
BP4/TCP4	\$232.82	-\$2.38	\$188.71	-\$14.20	\$195.01	-\$10.44	\$197.96	-\$12.80
Hylife	\$236.94	\$1.74	\$204.42	\$1.51	\$202.84	-\$2.62	\$204.52	-\$6.23
Ontario***	\$241.17	\$5.97	\$190.46	-\$12.44	\$192.36	-\$13.10	\$204.04	-\$6.71
Québec (overall)	\$231.73	-\$3.46	\$201.73	-\$1.18	\$200.53	-\$4.92	\$203.77	-\$6.98
Tyson (USD)	\$193.09	-\$42.10	\$119.20	-\$83.71	\$124.11	-\$81.34	\$144.51	-\$66.24
John Morrell (USD)	\$187.04	-\$48.16	\$113.27	-\$89.64	\$114.03	-\$91.42	\$137.15	-\$73.61

* 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

Most monitored hog margins improved on better hog values overall and a reduction in feed costs. Canadian farrow-to-finish feed costs fell \$1.20/hog while those in the monitored US region declined \$1.30/hog from a week earlier.

ML Sig 4 hog margins strengthened more than \$6 to \$3.50/hog losses on the week, while Hylife margins weakened \$3 to \$5.35/hog losses. OlyW 21 margins improved \$2.70 to \$10.75/hog losses while Ontario strengthened \$6 to \$12.15/hog losses. OlyW 20 hog margins strengthened shy of \$8 to \$12.40/hog losses while margins out of Quebec weakened \$2.15 to \$12.65/hog losses. In the US, Tyson hog margins strengthened more than \$14 to \$9.75/hog losses while JM margins improved \$4.85 to \$15.40/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	09-Feb-24	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$209.08	\$157.99	\$41.45	\$22.05	\$221.49	-\$12.41
OlyW 21 (R2)/Alberta	\$210.75	\$157.99	\$41.45	\$22.05	\$221.49	-\$10.74
ML Sig 4/Manitoba	\$206.37	\$146.79	\$41.54	\$21.55	\$209.88	-\$3.51
Hylife/Manitoba	\$204.52	\$146.79	\$41.54	\$21.55	\$209.88	-\$5.36
Ontario	\$204.04	\$147.72	\$42.71	\$25.76	\$216.19	-\$12.15
Québec (overall)	\$203.77	\$150.29	\$42.50	\$23.65	\$216.44	-\$12.67
Tyson (USD)/Iowa	\$144.51	\$105.01	\$30.70	\$18.57	\$154.28	-\$9.77
John Morrell (USD)/ND	\$137.15	\$103.28	\$30.70	\$18.57	\$152.55	-\$15.40

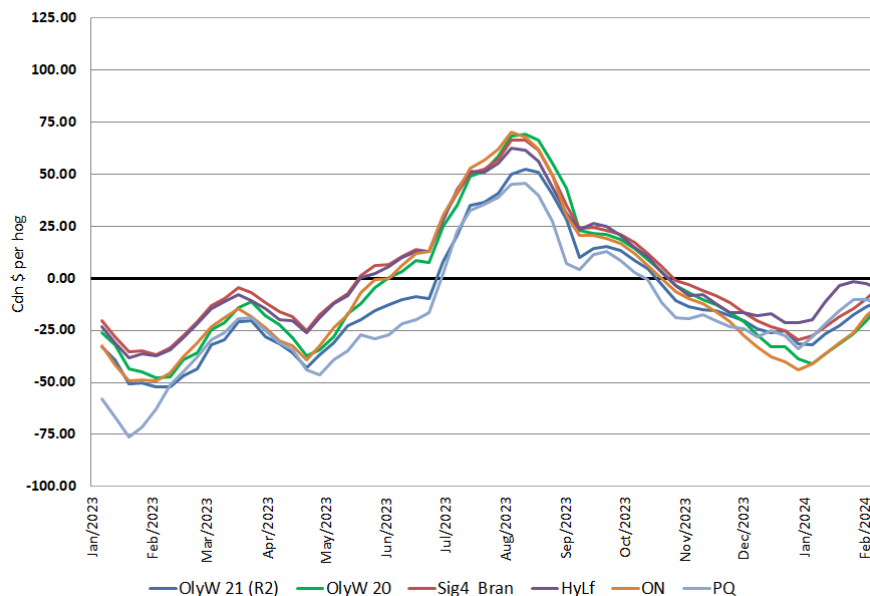
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$(9.77) USD x 1.3458 = \$(13.15) CAD
 Morrell: \$(15.40) USD x 1.3458 = \$(20.73) CAD

Canadian Margins 2023-2024



Disclaimer: Commodity Professionals Inc. presents this report as a snapshot of the market using current information available at the time of the report. These findings are for informational purposes only and should not be reproduced or transmitted by any means without permission. Commodity Professionals Inc. does not guarantee and accepts no legal liability arising from or connected to, the accuracy, reliability, or completeness of any material contained in the publication.