



Weekly Regional HOG PRICE Report



Things to Consider....

January 30, 2024

The latest US Cold Storage numbers reported pork stocks at 427.3 million pounds for December, up 11.6m pounds from November however is 29.1m pounds under year-ago levels. Notably, November's cold storage amount was revised a modest -0.1% lower from 416.1m pounds down to 415.7m pounds. On the year, pork stocks for 2023 were down -3.3% overall compared to the year previous and continues at generally reduced levels historically (refer to the 10-year historical chart).

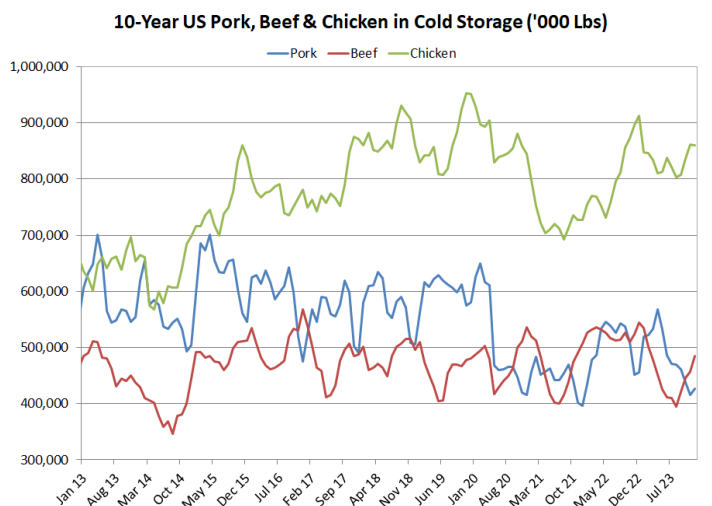
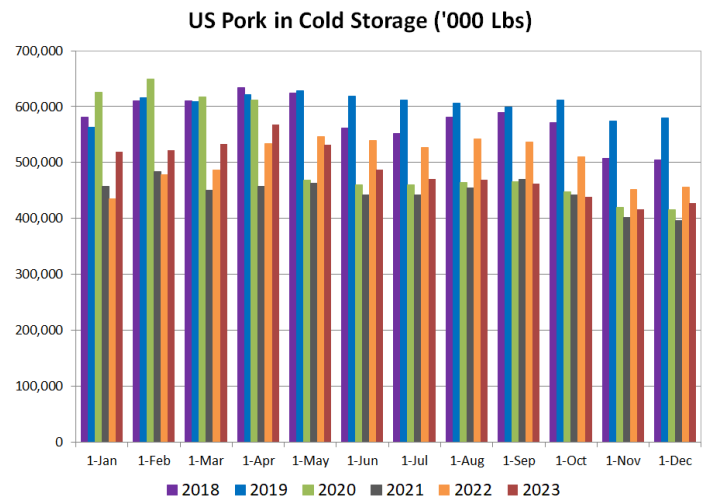
While pork categories varied from a month earlier, overall most stocks were increased in December. Pork bellies in cold storage rose 7.7m pounds from November, representing a 6-month high, however is 7.0m pounds under a year earlier. Spare-ribs increased 4.4m pounds in December bringing them 32.0m pounds under 2022 (an exceptional high period for the primal). Trimming stocks were up 2.7m pounds on the month however 5.8m under year-ago supplies, while variety meats increased 1.5m pounds from November and is 3.1m pounds higher than a year earlier. Total loins in cold storage were up 1.9m pounds from last reported and are 6.1m pounds over last year, with the bone-in and boneless varieties both above a month earlier and higher than year-ago supplies.

Total hams fell 2.3m pounds from November stocks with current supplies 1.6m pounds over a year earlier. Unclassified pork fell 2.5m pounds in December however is 1.0m pounds above last year, while butts and picnics were each down 1.1m pounds from a month earlier however butts were down 2.5m pounds compared to a year earlier while picnics were up 485 thousand pounds.

Competing meats in cold storage varied on the report. Total beef in cold storage was up 27.7m pounds from November stocks though was 58.8m pounds under last year's strong supplies, while total chicken (including broilers, fryers & roasters) slipped 429 thousand pounds lower for December though was 51.8m pounds under last year.

US Pork in Cold Storage					
('000 lbs)	Dec-23	Nov-23	Dec-22	M/M	Y/Y
Picnics	6,219	7,309	5,734	-14.9%	8.5%
Hams	55,003	57,290	53,414	-4.0%	3.0%
Bellies	56,017	48,323	63,015	15.9%	-11.1%
Loins	42,401	40,509	36,325	4.7%	16.7%
Ribs	80,508	76,106	112,495	5.8%	-28.4%
Butts	17,742	18,812	20,226	-5.7%	-12.3%
Trimmings	47,321	44,580	53,075	6.1%	-10.8%
Other	51,856	51,549	46,050	0.6%	12.6%
Variety	23,449	22,401	20,685	4.7%	13.4%
Unclassified	54,331	51,543	41,816	5.4%	29.9%
Total Pork	427,300	415,662	456,379	2.8%	-6.4%

Competing Meats in Cold Storage					
('000 lbs)	Dec-23	Nov-23	Dec-22	M/M	Y/Y
Beef Total	485,127	457,411	543,955	6.1%	-10.8%
Boneless	441,586	417,122	498,225	5.9%	-11.4%
Cuts	43,541	40,289	45,730	8.1%	-4.8%
Chicken Total	880,091	880,520	931,844	-0.0%	-5.6%
Fryers/Roasters	12,842	12,172	13,957	5.5%	-8.0%
Hens	6,868	6,258	5,230	9.7%	31.3%
Other	860,381	862,090	912,657	-0.2%	-5.7%



Weekly Hog Price Recap

Despite starting the week lower, regional and national cash hogs were higher the remainder of the week with Wednesday especially stronger. CME cash improved daily, recording more moderate though steady moves higher throughout the week. Wholesale pork primal values were mixed however significantly higher bellies helped offset other primal declines and supported US pork cutout \$1.08/cwt above the previous week.

USD Cash Price	Weekly Averages				w/w	% Chg
	Head	26-Jan-24	Head	19-Jan-24		
ISM pm		\$51.97		\$47.07	\$4.90	10.4%
WCB pm		\$51.89		\$46.96	\$4.93	10.5%
Nat pm		\$51.57		\$46.91	\$4.67	9.9%
CME Index*		\$69.22		\$67.33	\$1.89	2.8%
Sows, 300-449lbs	14,880	\$30.43	15,393	\$31.48	-\$1.05	-3.3%
Sows, 500+ lbs	14,508	\$37.31	8,634	\$36.52	\$0.80	2.2%
BoC Exch		1.3472		1.3482	-0.0010	-0.1%

* Represents Friday-Thursday average

Monitored hog markets generally improved \$4-\$6 per hog on the week, with exception to Hylife which climbed \$2.20/hog higher from the week previous. Market hogs out of Quebec and the OlyW 21 were up the most, each rising shy of \$6/hog, followed by hogs off the OlyW 20 which were up \$5.50/hog. Ontario hogs rose more than \$5/hog higher, while those priced off the ML Sig 4 were up \$4.10/hog and BP4/TCP4 improved \$3.85/hog. In the US, Tyson hogs rose \$6.50/hog while JM hog values surged \$10.25/hog from the previous week.

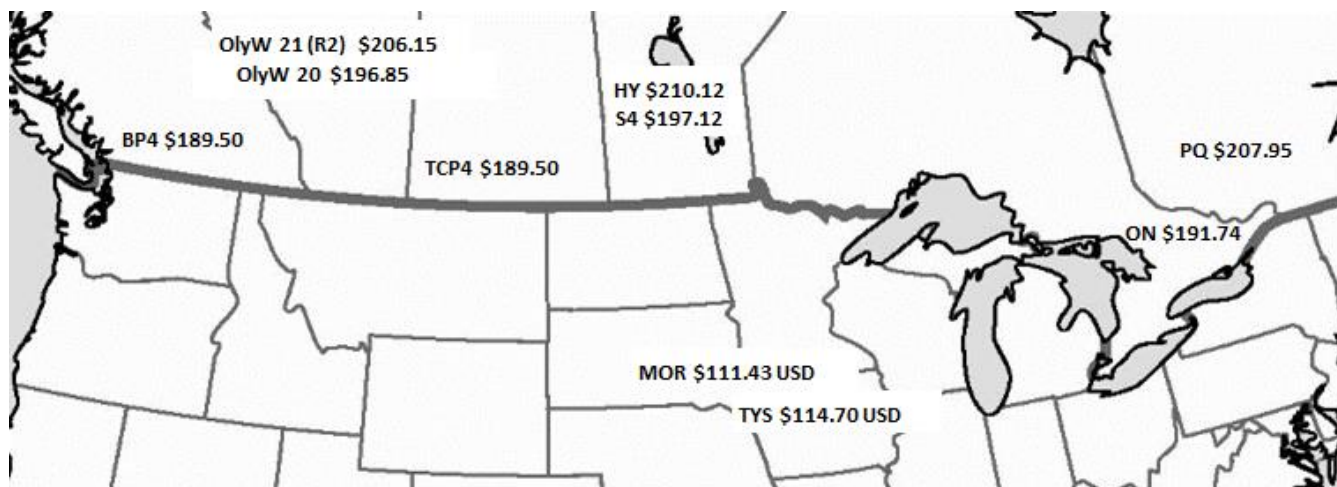
Regional Pricing, \$/hog								
Packer/Region	3 Year	Difference to OlyW21	2024 YTD AVG	Difference to OlyW21	Last 13 weeks	Difference to OlyW21	Ending 26-Jan-24	Difference to OlyW21
IPM (MMS 5.0)	\$241.04		\$220.64		\$220.67		\$223.63	
OlyW 2021 (R2)**	\$234.82		\$199.36		\$206.76		\$206.15	
OlyW 2020*	\$246.80	\$11.98	\$190.15	-\$9.21	\$203.20	-\$3.56	\$196.85	-\$9.30
ML Sig 4	\$236.27	\$1.45	\$191.47	-\$7.89	\$199.82	-\$6.95	\$197.12	-\$9.03
BP4/TCP4	\$232.45	-\$2.36	\$185.18	-\$14.18	\$198.02	-\$8.74	\$189.50	-\$16.64
Hylife	\$236.65	\$1.83	\$203.33	\$3.96	\$203.85	-\$2.91	\$210.12	\$3.97
Ontario***	\$240.78	\$5.96	\$184.89	-\$14.48	\$194.65	-\$12.11	\$191.74	-\$14.41
Québec (overall)	\$231.52	-\$3.30	\$199.87	\$0.51	\$201.11	-\$5.65	\$207.95	\$1.80
Tyson (USD)	\$192.87	-\$41.94	\$109.75	-\$89.61	\$127.14	-\$79.62	\$114.70	-\$91.45
John Morrell (USD)	\$186.81	-\$48.01	\$102.21	-\$97.15	\$115.39	-\$91.37	\$111.43	-\$94.72

* 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 notably higher hog values, however were tempered in part by a rise in feed costs. Canadian farrow-to-finish feed costs climbed \$0.50/hog higher while those in the monitored US region were up \$1.30/hog from a week earlier.

Hylife hog margins recovered \$1.65 to \$1.70/hog losses on the week. Quebec margins strengthened \$5.35 to \$10.40/hog losses while those off the ML Sig 4 were up \$3.60 to \$14.65/hog losses. OlyW 21 hog margins strengthened \$5.30 to \$17.25/hog losses while Ontario margins improved \$4.60 to \$26.35/hog losses, and OlyW 20 hog margins strengthened \$5 to \$26.55/hog losses. In the US, Tyson hog margins recovered \$5.25 to \$41.20/hog losses while JM margins strengthened \$9 to \$42.75/hog losses for the week.

Regional MARGINS, \$/hog						
Packer/Region	26-Jan-24	Farrow to Finish			Total COP	Weekly Margin
	Hog Price	Feed*	Variable	Fixed		
OlyW 20/Alberta	\$196.85	\$159.91	\$41.45	\$22.05	\$223.41	-\$26.56
OlyW 21 (R2)/Alberta	\$206.15	\$159.91	\$41.45	\$22.05	\$223.41	-\$17.26
ML Sig 4/Manitoba	\$197.12	\$148.71	\$41.54	\$21.55	\$211.80	-\$14.68
Hylife/Manitoba	\$210.12	\$148.71	\$41.54	\$21.55	\$211.80	-\$1.68
Ontario	\$191.74	\$149.64	\$42.71	\$25.76	\$218.11	-\$26.37
Québec (overall)	\$207.95	\$152.21	\$42.50	\$23.65	\$218.36	-\$10.41
Tyson (USD)/Iowa	\$114.70	\$106.63	\$30.70	\$18.57	\$155.90	-\$41.20
John Morrell (USD)/ND	\$111.43	\$104.90	\$30.70	\$18.57	\$154.17	-\$42.74

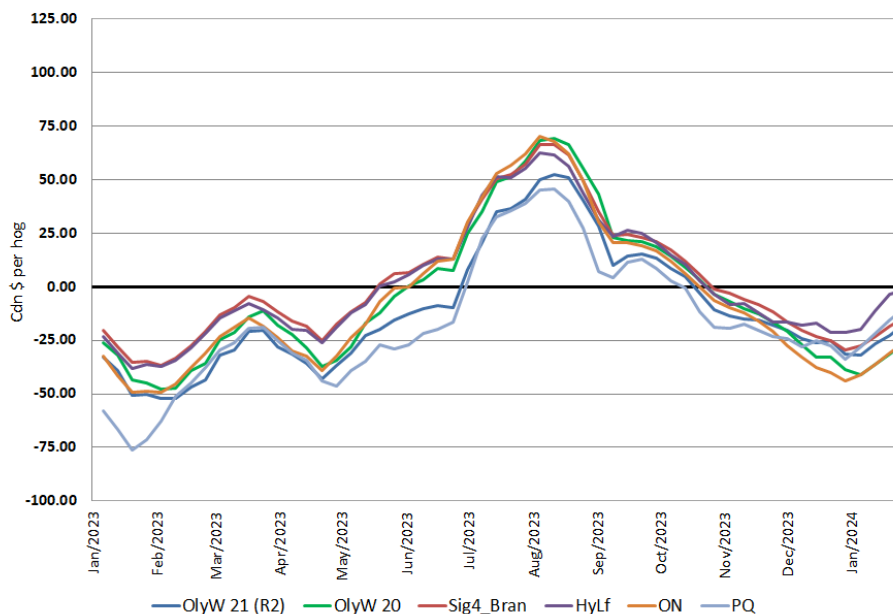
* Feed cost variables- 285 lb hog, 1.57 F:G nursery, 2.89 F:G feeder-finish, \$20 GMD

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

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

Tyson: \$(41.20) USD x 1.3417 = \$(55.28) CAD
 Morrell: \$(42.74) USD x 1.3417 = \$(57.34) CAD

Canadian Margins 2023-2024



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