



Weekly Regional HOG PRICE Report



Things to Consider....

February 6, 2024

The latest monthly US livestock and meat trade data recorded pork exports at 643.8 million pounds, rising 36.3m pounds in December and brings current pork exports 82.5m pounds over a year earlier. Year-to-date US pork exports for 2023 are up 480.2m pounds or +7.6% higher compared 2022 YTD.

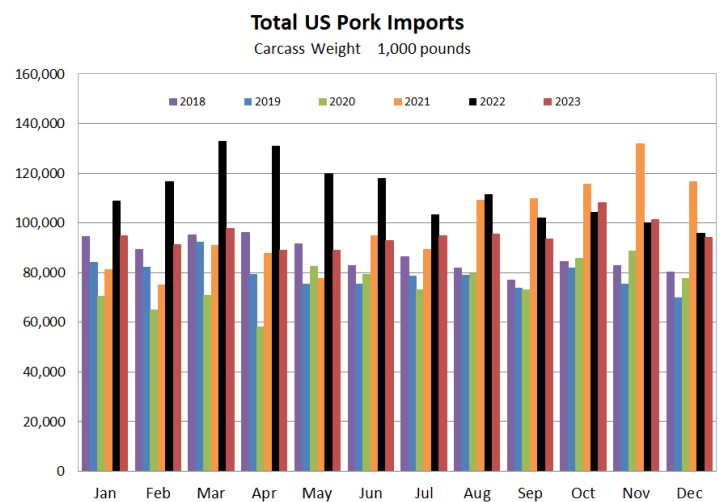
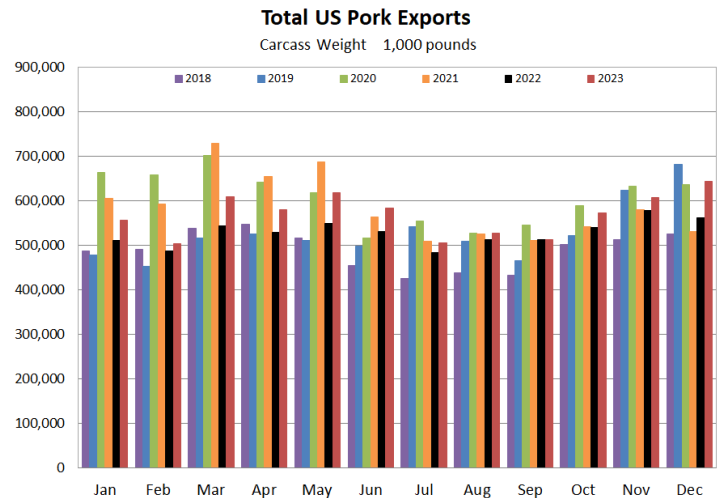
US pork to South Korea again recorded the largest month-over-month rise, up 22.1m pounds from November and 31.4m pounds over last year. US pork to Mexico increased by 17.1m pounds on the month and is 33.5m pounds over last year, while Panama rose 17.5m pounds in December (a typical surge recorded every December) and is 2.9m pounds over a year earlier. US pork to Australia increased 11.0m pounds on the latest report and is 19.5m pounds over last year, while pork to China* (including Hong Kong & Taiwan) climbed just shy of a million pounds in December, however is 31.8m pounds under a year earlier.

US pork to Canada declined the most from last reported, falling 7.6m pounds in December however is 2.7m pounds over last year. Other destinations for US pork were generally 3-5m pounds lower on the month including Colombia, Honduras, Dominican Republic, Guatemala and Chile.

US pork imports fell overall in December, down 7.1m pounds or -7.0% from November and brings the latest imports 1.6m pounds or -1.6% under last year. Imports from Canada were down the most, dropping 7.2m pounds from last reported and is 8.9m pounds under a year-ago, while several other countries also recorded 0.5-1.0m declines in December such as Denmark, the UK, and Mexico. Helping to offset some of the earlier mentioned reductions were increases recorded from Brazil which rose 2.2m pounds and is 4.3m over December 2022. Total year-to-date US pork imports are 201.1m pounds or -15.0% under 2022 YTD. For comparison, the US imported 12.1m pounds more pork from Canada than it exported to the country in the month of December.

| US Pork Exports (carcass weight, 1,000 pounds) | | | | | | |
|--|----------------|----------------|----------------|-------------|--------------|-------------|
| Top 7 Countries | Dec-22 | Nov-23 | Dec-23 | M/M% | Y/Y% | YTD/LYTD% |
| Australia | 8,248 | 16,777 | 27,787 | 65.6% | 236.9% | 92.2% |
| Canada | 43,718 | 54,020 | 46,402 | -14.1% | 6.1% | 8.4% |
| China* | 65,165 | 32,414 | 33,399 | 3.0% | -48.7% | -11.0% |
| Colombia | 20,853 | 33,812 | 28,417 | -16.0% | 36.3% | -3.7% |
| Japan | 76,005 | 85,205 | 84,643 | -0.7% | 11.4% | -1.1% |
| Mexico | 215,710 | 232,182 | 249,256 | 7.4% | 15.6% | 9.8% |
| South Korea | 43,768 | 53,071 | 75,212 | 41.7% | 71.8% | 10.4% |
| All US Pork Exports | 581,295 | 607,520 | 643,844 | 6.0% | 14.7% | 7.6% |

*Includes Mainland, Hong Kong & Taiwan



Weekly Hog Price Recap

Regional and national cash hogs again improved much of the week, with especially strong rises the front-half of the week after going unreported Monday. CME cash rose daily, recording moderately strong rises which leveled off late-week. Wholesale pork primal values were mixed to generally lower, with US pork cutout finishing the week \$0.67/cwt under the previous week.

| USD Cash Price | Weekly Averages | | | | w/w | % Chg |
|------------------|-----------------|-----------|--------|-----------|---------|-------|
| | Head | 02-Feb-24 | Head | 26-Jan-24 | | |
| ISM pm | | \$62.65 | | \$51.97 | \$10.68 | 20.6% |
| WCB pm | | \$62.55 | | \$51.89 | \$10.66 | 20.5% |
| Nat pm | | \$61.77 | | \$51.57 | \$10.19 | 19.8% |
| CME Index* | | \$72.06 | | \$69.22 | \$2.84 | 4.1% |
| Sows, 300-449lbs | 16,237 | \$34.74 | 14,880 | \$30.43 | \$4.31 | 14.2% |
| Sows, 500+ lbs | 12,163 | \$40.22 | 14,508 | \$37.31 | \$2.90 | 7.8% |
| BoC Exch | | 1.3423 | | 1.3472 | -0.0049 | -0.4% |

* Represents Friday-Thursday average

Monitored hog markets were primarily higher, generally up \$3/hog to as much as \$7.50/hog higher. Ontario hogs were up the most, followed by hogs out of the OlyW 20 which were up \$5.55/hog. The ML Sig 4 was up \$4.40/hog, while BP4/TCP4 improved \$4/hog and the OlyW 21 climbed \$3/hog. Market hogs out of Quebec slipped \$0.80/hog from the week previous while Hylife fell near \$1.50/hog. In the US, Tyson hogs jumped \$17/hog while JM hog values surged more than \$22/hog from the previous week.

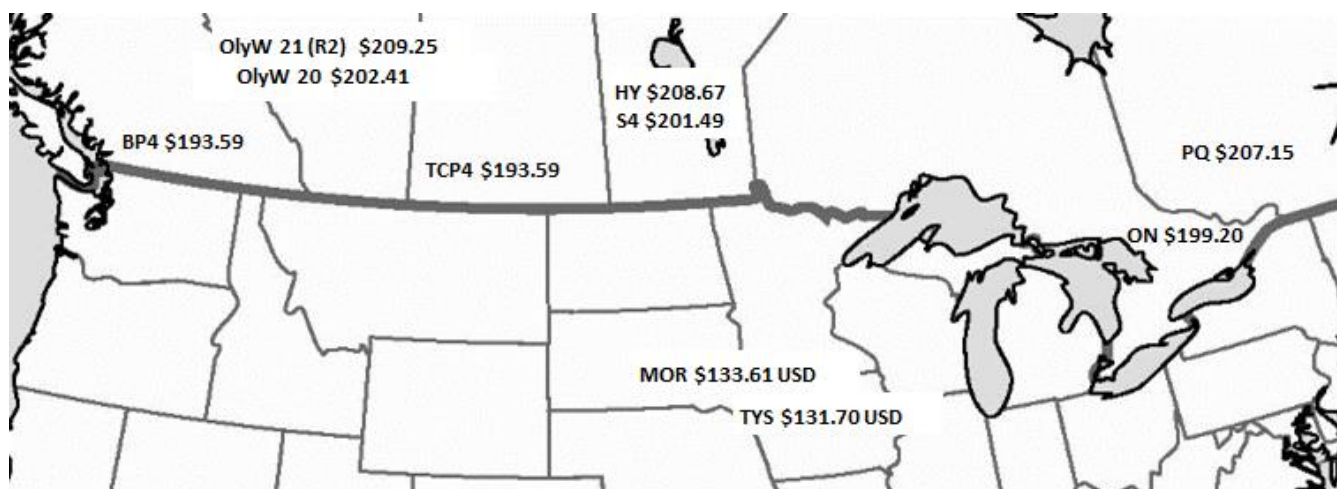
| Regional Pricing, \$/hog | | | | | | | | |
|--------------------------|----------|----------------------|--------------|----------------------|---------------|----------------------|------------------|----------------------|
| Packer/Region | 3 Year | Difference to OlyW21 | 2024 YTD AVG | Difference to OlyW21 | Last 13 weeks | Difference to OlyW21 | Ending 02-Feb-24 | Difference to OlyW21 |
| IPM (MMS 5.0) | \$241.25 | | \$220.66 | | \$220.27 | | \$220.95 | |
| OlyW 2021 (R2)** | \$235.02 | | \$201.34 | | \$206.02 | | \$209.25 | |
| OlyW 2020* | \$246.98 | \$11.96 | \$192.60 | -\$8.74 | \$201.42 | -\$4.60 | \$202.41 | -\$6.84 |
| ML Sig 4 | \$236.45 | \$1.43 | \$193.48 | -\$7.86 | \$198.54 | -\$7.48 | \$201.49 | -\$7.76 |
| BP4/TCP4 | \$232.64 | -\$2.38 | \$186.86 | -\$14.48 | \$196.29 | -\$9.74 | \$193.59 | -\$15.66 |
| Hylife | \$236.80 | \$1.78 | \$204.40 | \$3.06 | \$203.54 | -\$2.48 | \$208.67 | -\$0.58 |
| Ontario*** | \$240.96 | \$5.94 | \$187.75 | -\$13.59 | \$193.25 | -\$12.77 | \$199.20 | -\$10.05 |
| Québec (overall) | \$231.63 | -\$3.39 | \$201.33 | -\$0.01 | \$201.03 | -\$4.99 | \$207.15 | -\$2.10 |
| Tyson (USD) | \$192.94 | -\$42.07 | \$114.14 | -\$87.20 | \$124.99 | -\$81.04 | \$131.70 | -\$77.55 |
| John Morrell (USD) | \$186.92 | -\$48.09 | \$108.49 | -\$92.85 | \$114.41 | -\$91.61 | \$133.61 | -\$75.64 |

* 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 generally improved on overall better hog values and a reduction in feed costs. Canadian farrow-to-finish feed costs fell \$0.70/hog while those in the monitored US region declined \$0.30/hog from a week earlier.

Hylife hog margins weakened \$0.75 to \$2.40/hog losses on the week, while ML Sig 4 margins strengthened \$5 to \$9.60/hog losses. Quebec margins slipped a modest \$0.10 to \$10.50/hog losses while OlyW 21 hog margins improved \$3.80 to \$13.50/hog losses. Ontario hog margins strengthened \$8.20 to \$18.20/hog losses while OlyW 20 margins improved \$6.25 to \$20.30/hog losses. In the US, Tyson hog margins strengthened \$17.30 to shy of \$24/hog losses while JM margins strengthened \$22.50 to \$20.25/hog losses for the week.

| Regional MARGINS, \$/hog | | | | | | |
|--------------------------|-----------|------------------|----------|---------|----------|---------------|
| Packer/Region | 02-Feb-24 | Farrow to Finish | | | Total | Weekly Margin |
| | Hog Price | Feed* | Variable | Fixed | COP | |
| OlyW 20/Alberta | \$202.41 | \$159.20 | \$41.45 | \$22.05 | \$222.70 | -\$20.29 |
| OlyW 21 (R2)/Alberta | \$209.25 | \$159.20 | \$41.45 | \$22.05 | \$222.70 | -\$13.45 |
| ML Sig 4/Manitoba | \$201.49 | \$148.00 | \$41.54 | \$21.55 | \$211.09 | -\$9.60 |
| Hylife/Manitoba | \$208.67 | \$148.00 | \$41.54 | \$21.55 | \$211.09 | -\$2.42 |
| Ontario | \$199.20 | \$148.93 | \$42.71 | \$25.76 | \$217.40 | -\$18.20 |
| Québec (overall) | \$207.15 | \$151.50 | \$42.50 | \$23.65 | \$217.65 | -\$10.50 |
| Tyson (USD)/Iowa | \$131.70 | \$106.33 | \$30.70 | \$18.57 | \$155.60 | -\$23.90 |
| John Morrell (USD)/ND | \$133.61 | \$104.60 | \$30.70 | \$18.57 | \$153.87 | -\$20.26 |

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

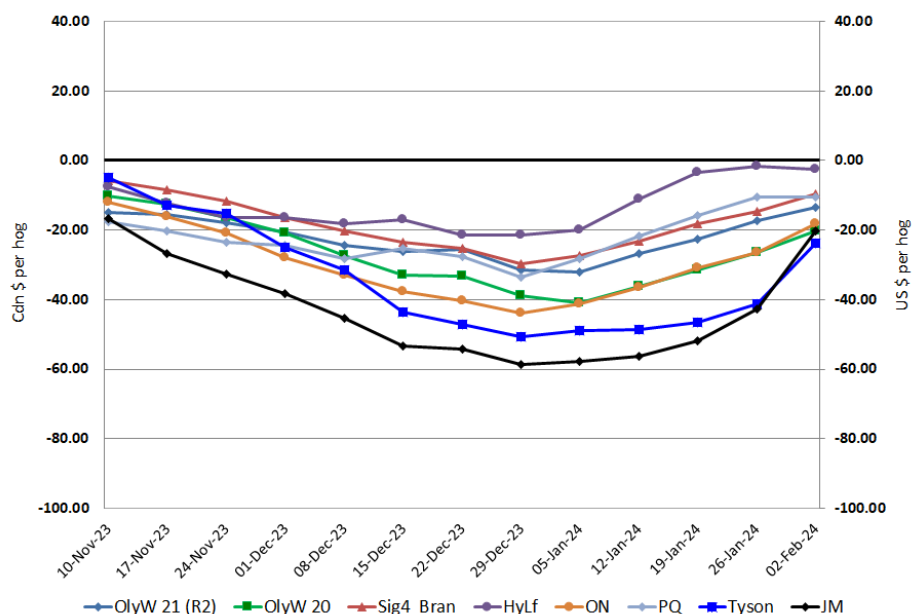
* Feed cost fixed expenses updated the week of April 8, 2022 onward

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

Tyson: $\$(23.90)$ USD x 1.3469 = $\$(32.19)$ CAD

Morrell: $\$(20.96)$ USD x 1.3469 = $\$(28.23)$ CAD

Canadian & US Margins Last 13 weeks



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