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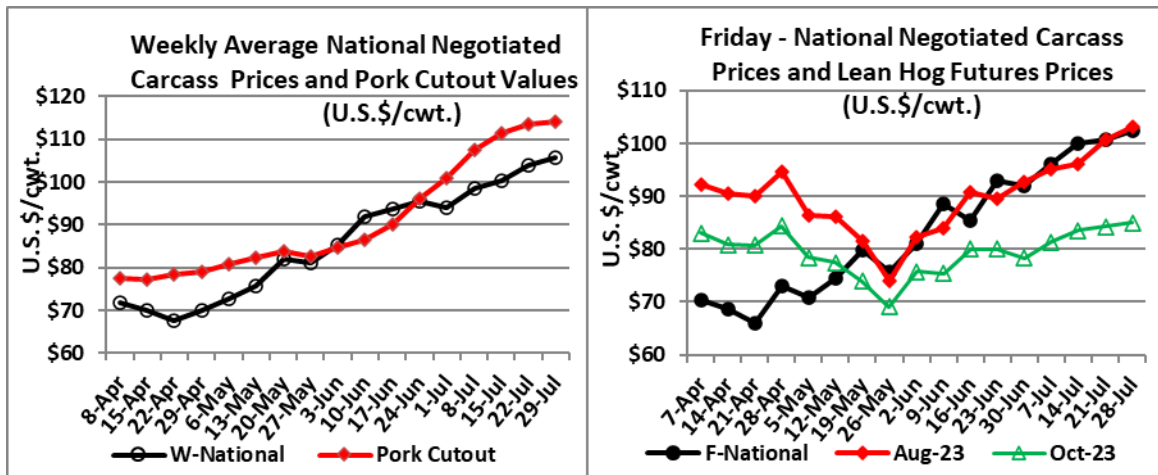
July Hog Report

August 2, 2023

Cash Slaughter Weight Hog Prices

North American slaughter weight hog prices continued higher in July with the monthly U.S. average National negotiated slaughter weight cash hog price averaging US\$101.97 per cwt, up 9.9 per cent from the monthly average price of US\$92.79 per cwt in June. U.S. daily cash hog prices have increased over 25 per cent since early June 2023.

United States daily average slaughter weight cash hog prices (National Negotiated) were higher last week peaking mid-week before declining Thursday and Friday. Cash hog prices on Friday July 28 were estimated to average US\$102.43 per cwt, a price increase of US\$1.71 per cwt or 1.7 per cent from US\$100.72 per cwt the previous Friday. The negotiated weekly average National base price averaged US\$105.69 per cwt last week, a weekly average price increase of US\$1.69 per cwt or 1.9 per cent from US\$104.00 per cwt the previous week.



Source: LMIC

Source: LMIC, USDA

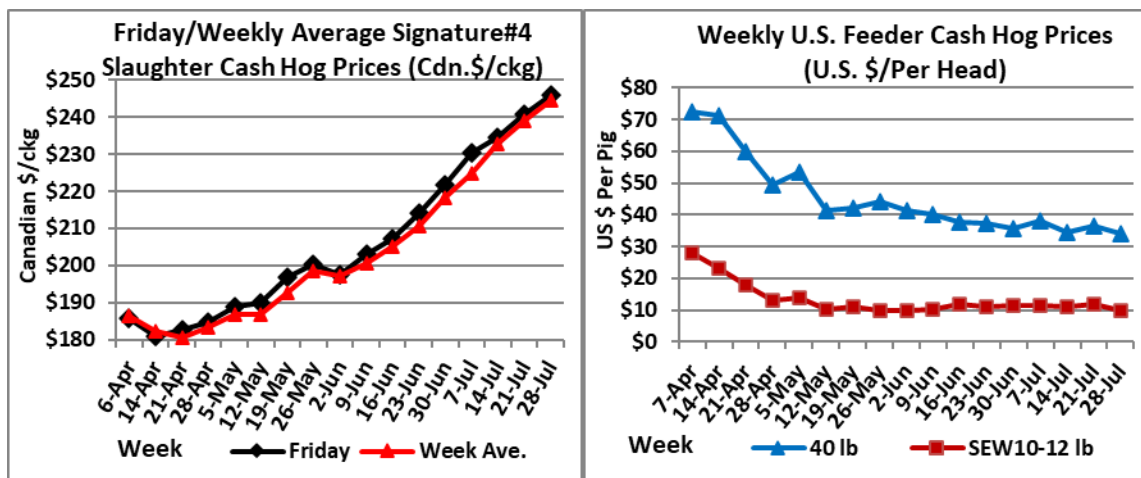
Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) cash prices continued to be seasonally weak in July, down significantly since March 2023, and were once again lower last week. Weighted average cash prices for U.S. based iso-weans (12lb) were US\$9.75 per head last week, down US\$2.22 per pig from US\$11.97 per head the previous week, and down over US\$46 per pig or 82 per cent from the first week in March.

U.S. Iowa feeder (40lb) cash prices averaged US\$33.96 per head last week, a price decline of US\$2.62 per head or 7.6 per cent from US\$36.58 per head the previous week. Feeder prices are almost US\$53 per pig or 61 per cent lower since the first week in March 2023.

Canadian Hog Markets

In Canada, the Signature#4 (Maple Leaf) Index 100 daily price for Friday July 28, 2023, was \$245.92 per ckg, a price increase of \$5.33 per ckg or 2.3 per cent from \$240.59 per ckg from the previous Friday. The Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged \$244.62 per ckg last week; a price increase of \$5.47 per ckg or 2.3 per cent from the previous weeks' average price of \$239.15 per ckg. Western Canadian hog prices were stronger in June and July with the Signature#4 price increasing by about 25 percent since early June. Producers managed to reach breakeven/profitable levels in July after many months of financial losses.



Source: HAMS Marketing

Source: LMIC

The Canadian dollar to the U.S. dollar was relatively steady Friday-over-Friday and settled Friday July 28th at 75.57 cents, down slightly from 75.69 cents the previous Friday. The monthly average exchange rate for July 2023 was 75.67 cents, stronger than the monthly average of 75.26 cents in June and 73.96 cents in May 2023.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending July 29, 2023, were estimated at 2.392 million head, a 3.3 per cent increase from the previous week's estimate of 2.316 million head, and a 4.3 per cent increase from 2.293 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.250 million head, up 2.1 per cent from 2.204 million head over the same period a year ago. U.S. hog slaughter numbers over the last eight weeks averaged 2.297 million head, up 1.3 per cent from 2.267 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending July 29, 2023, was estimated at 501.0 million lb., up 3.1 per cent from 485.8 million lb. the previous week, and up 3.6 per cent from 483.8 million lb. the same week a year ago. Pork production over the last four weeks ending July 29, 2023, was estimated to average 471.5 million lb., up 1.1 per cent from 466.4 million lb. over the same period a year ago. Pork production over the last eight weeks ending July 29, 2023, averaged 483.2 million lb., up slightly from 482.9 million lb. the same period a year ago.

U.S. beef production for the week ending July 29, 2023, was estimated at 502.5 million lb., down 0.7 per cent from 506.0 million lb. the previous week, and down 7.0 per cent from 540.6 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the last four weeks ending July 22, 2023, were estimated to average 2.116 billion lb., down 1.1 percent from 2.140 billion lb. over the same four weeks a year ago.

Based on the weekly production numbers U.S. meat production over the first twenty-nine weeks of 2023, was 0.4 per cent lower compared to the same period a year ago in 2022. U.S. beef production over the last four weeks ending July 22 was 4.6 per cent lower compared to the same period a year ago, while beef production year-to-date for the first twenty-nine weeks in 2023 was 4.7 per cent lower compared to the same period a year ago.

United States Weekly Meat Production

	(July22) Four Week Average - Million Lb.		Percent Change	
	2022	2023	4 Week	YTD 2023
Pork	466.6	468.1	0.33%	0.29%
Beef	519.6	495.9	-4.56%	-4.74%
Chicken	1,046.3	1,033.1	-1.26%	1.08%
Turkey	107.3	118.9	10.84%	3.69%
Total	2,139.758	2,116.036	-1.109%	-0.378%

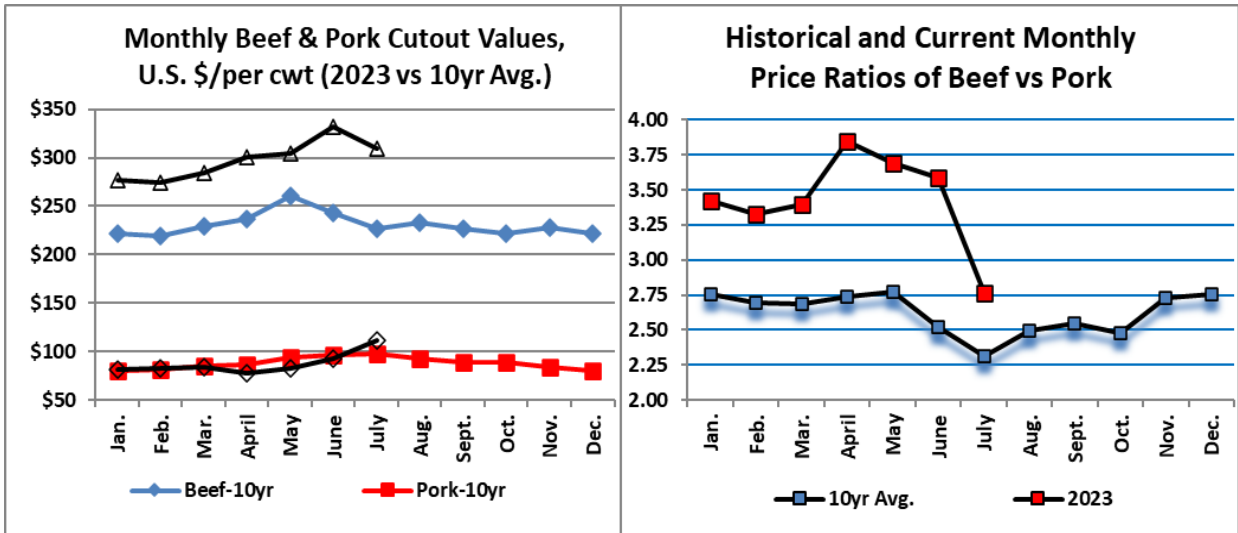
Source: LMIC

Cutout Values

Pork cutout values for the week ending July 29, 2023, averaged US\$114.24 per cwt, a price increase of US\$0.57 per cwt or 0.5 per cent from US\$113.67 per cwt the previous week; but still down 10.4 per cent from US\$113.67 per cwt from the same week a year ago. Belly prices had the largest price gains increasing US\$22.60 per cwt or 11.6 per cent to average US\$117.17 per cwt, while ham prices declined US\$5.96 per cwt or 5.8 per cent to average US\$97.32 per cwt.

Choice beef cutout prices (600-900 lb.) for the week ending July 29, 2023, averaged US\$303.32 per cwt over the week, a slight price decline of US\$0.75 per cwt or 0.2 per cent from US\$304.07 per cwt from the previous week. Current beef cutout values are 13.0 per cent higher than the same week a year ago when they averaged US\$268.44 per cwt.

U.S. beef cutout values have increased significantly compared to pork cutout values in 2023. Beef cutout values have averaged US\$60 per cwt more the first seven-months of 2023 compared to the previous 10-year average. Pork cutout values over the first seven-months of 2023 are reasonably close to the average over the previous 10-years. This has caused the spread between beef and pork cutout values to increase significantly in 2023. The beef-to-pork price spread over the last 10-years averaged 2.6, while the price spread over the first seven-months of 2023 has averaged 3.4. The price spread peaked at 3.8 in April 2023, significantly higher than in previous years.



Source: LMIC

Average chicken cutout values (breast) for the week ending July 29, 2023, averaged US\$120.37 per cwt, a price increase of US\$4.90 per cwt or 4.2 per cent from US\$115.47 per cwt from the previous week.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on July 25th for the month ending June 30, 2023. The United States' pork stocks in cold storage totaled 490.2 million lb. on June 30, 2023, down 9.1 per cent from 539.1 million lb. a year ago on June 30, 2022; and down 7.8 per cent from 531.8 million lb. a month ago on May 31, 2023. U.S. pork stocks in cold storage for June, 2023, were below the monthly 15-year average for June and well below the monthly 15-year highs for June.

U.S. beef stocks in cold storage totaled 411.9 million lb. on June 30, 2023, **down 20.3 per cent** from 516.8 million lb. a year ago on June 30, 2022; and down 3.2 per cent from 425.7 million lb. the previous month on May 31, 2023. Beef stocks in cold storage for June 30, 2023, were below the monthly 15-year average for June, and well below the 15-year monthly highs for June.

United States Stocks in Cold Storage (Frozen)

Commodity	1,000 Pounds		
	30-Jun-2022	31-May-2023	30-Jun-2023
Pork	539,100	531,757	490,192
Beef	516,785	425,660	411,877
Chicken	774,189	834,477	861,433
Turkey	411,855	402,186	437,839
Total Combined	2,241,929	2,194,080	2,201,341

Source: NASS

Total pork, beef, chicken, and turkey in cold storage on June 30, 2023, was estimated to be 2.201 billion lb., down 1.8 per cent from 2.242 billion lb. a year ago on June 30, 2022; but up 0.3 per cent from 2.194 billion lb. a month ago on May 31, 2023. U.S. meat in

cold storage for June 30, 2023, was just above the monthly 15-year average for June, but well below the monthly 15-year highs for June.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On July 12, the USDA released the July World Agricultural Supply and Demand Estimates (WASDE). U.S. July projections for the 2023 meat production year were increased (0.3 per cent) from the June projections. Beef production in the July projections had a 0.3 per cent increase from the June estimates, while broilers had a 0.4 per cent increase, and turkey a 1.3 per cent increase compared to the previous June projections. Beef production estimates in July were increased from the June projections based on higher expected overall cattle slaughter numbers later in 2023. Broiler and turkey production were raised on higher slaughter data with turkey raised in the third quarter based on hatchery data.

U.S. meat production for 2023 is projected to have a minor increase (+0.3 per cent) from 2022. The largest production increases for 2023 are projected to come from turkey (+4.4 per cent), followed by broilers (+1.9 per cent) and pork (+1.4 per cent). Beef production for 2023 is forecasted to have a noticeable production decline (-4.0 per cent), negatively affecting overall meat production. (USDA WASDE). Significant beef production declines are projected for 2024 (-9.0 per cent) as fed cattle marketings are projected to shift into late 2023 rather than early 2024.

USDA July World Agricultural Supply and Demand Estimates

		Million Pounds				Total Red Meat & Poultry
Year	Quarter	Beef	Pork	Broiler	Turkey	
2020	Annual	27,174	28,303	44,583	5,743	106,556
2021	Annual	27,948	27,675	44,899	5,558	106,810
2022	Annual	28,291	26,996	46,206	5,222	107,469
% Chg.	Est. 2021 to 2022	1.23%	-2.45%	2.91%	-6.05%	0.62%
2023	June proj.	27,086	27,376	46,899	5,383	107,486
2023	July proj.	27,161	27,371	47,099	5,453	107,826
2023	Chg. June to July	0.28%	-0.02%	0.43%	1.30%	0.316%
% Chg.	Proj. 2022 to 2023	-3.99%	1.39%	1.93%	4.42%	0.332%
2024	July proj.	24,700	27,335	47,820	5,640	106,230
% Chg.	Proj. 2023 to 2024	-9.06%	-0.13%	1.53%	3.43%	-1.48%

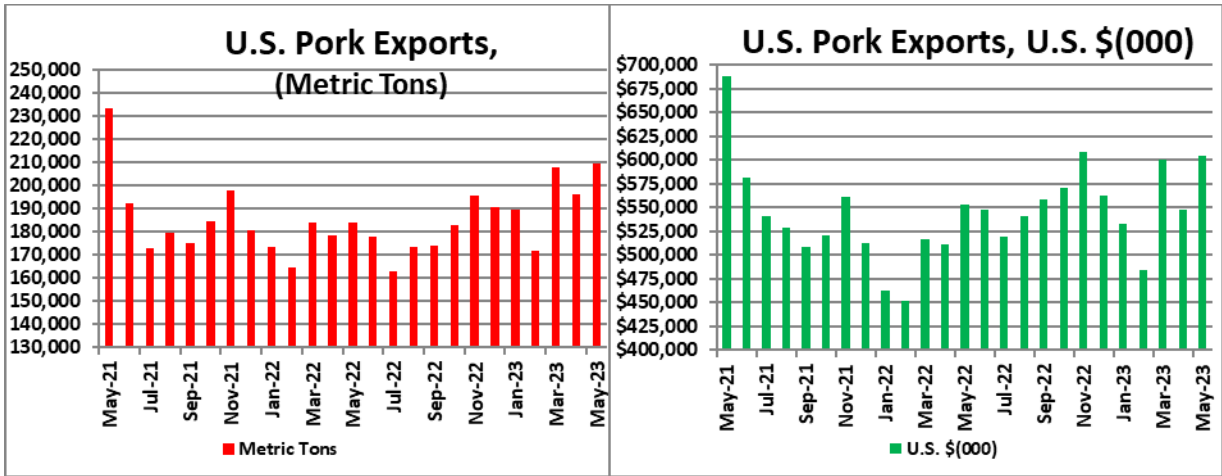
Source: USDA July 12, 2023

United States Pork Exports

United States pork exports in May 2023 were 6.8 per cent higher by volume and 10.4 per cent higher in dollar value from April 2023. U.S. pork exports for May 2023 were 209,535 metric tons and valued at \$604.1 million dollars.

U.S. pork exports by volume in May 2023 were the largest to Mexico (39.6 per cent), Japan (14.5 per cent) and South Korea (9.8 per cent). China was the fourth largest importer of U.S. pork by volume (7.9 per cent) followed by Canada (6.9 per cent).

U.S. pork exports by volume for May 2023 were the highest since May 2021. U.S. pork exports year-to-date ending May 2023 totaled 974,985 metric tons, up 10.2 per cent from 884,385 metric tons over the same period in 2022.



Source: USDA, USMEF

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United States pork exports by dollar value in May 2023 were 10.4 per cent higher from April 2023, and 9.3 per cent higher compared to May 2022. U.S. pork exports by dollar value in May 2023 were the second highest over the last 12 months. May pork exports by dollar value were the highest to Mexico at \$174 million (28.8 per cent), followed by Japan at \$121.6 million (20.1 per cent), South Korea \$71.5 million (11.8 per cent), and Canada at \$62.5 million (10.3 per cent). U.S. pork exports year-to-date ending May 2023 totaled \$2.769 billion, up 11.0 per cent from \$2.494 billion over the same period in 2022.

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