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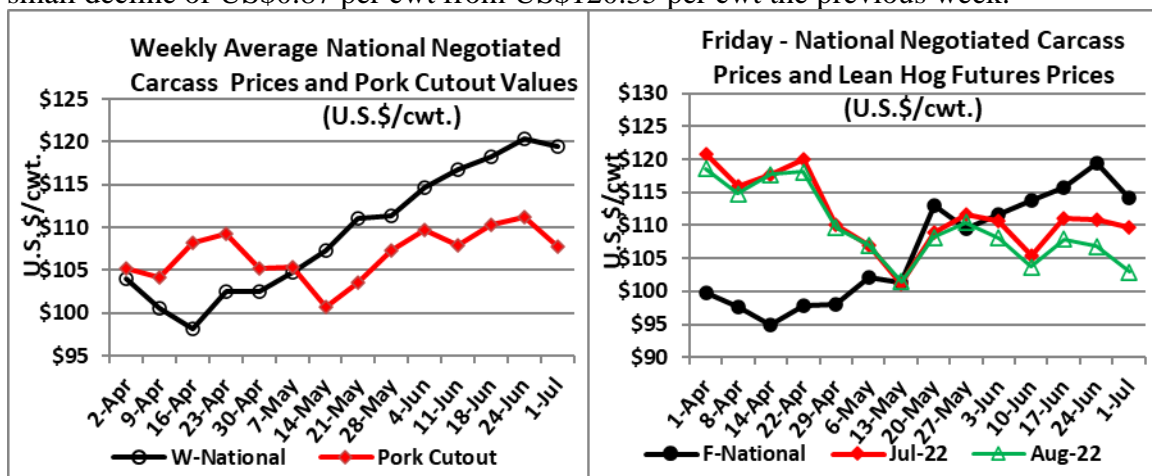
Bi-Weekly Hog Report

July 4, 2022

***The Weekly Hog Report will take a summer break for July!
 The regular Bi-Weekly Hog Report will resume in mid-August.***

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) were higher early in the week before declining Thursday and Friday, to end the week lower. Cash hog prices on Friday July 1, averaged US\$114.22 per cwt, a price decline of US\$5.22 per cwt or 4.4 per cent from US\$119.44 per cwt the previous Friday. The negotiated weekly average National base price averaged US\$119.48 per cwt last week, a small decline of US\$0.87 per cwt from US\$120.35 per cwt the previous week.



Source: LMIC

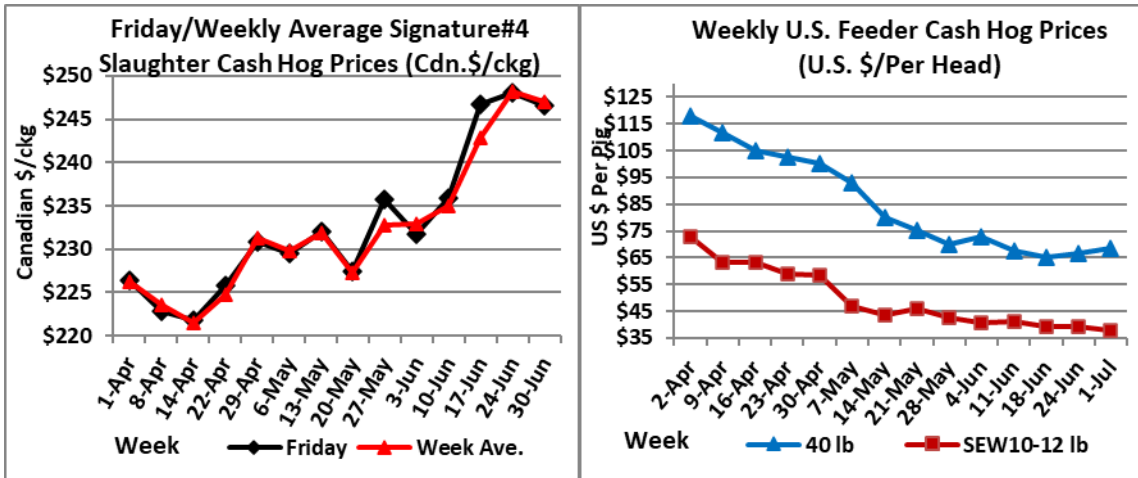
Source: LMIC, CME

Futures Markets

United States lean hog futures daily prices were mixed but overall lower to end the week lower, week-over-week. The nearby July 2022 contract settled Friday at US\$109.600 per cwt, a price decline of US\$1.325 per cwt from the previous Friday's close of US\$110.925 per cwt. The August 2022 contract declined US\$3.800 per cwt last week to settle Friday at US\$102.975 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) prices were mixed last week. Weighted average cash prices for U.S. based iso-weans (12lb) were US\$38.02 per head last week, a price decline of US\$1.30 per head from US\$39.32 per head the previous week. Feeder (40lb) cash prices averaged US\$68.74 per head last week, a price increase of US\$1.87 per head from US\$66.87 per head the previous week.



Source: HAMS Marketing

Source: LMIC, USDA

Canadian Hog Markets

In Canada, the Signature#4 (Maple Leaf) Index 100 daily price for Thursday June 30, 2022, was \$246.51 per ckg, a price decline of \$1.51 per ckg from \$248.02 per ckg from the previous Friday.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the U.S. week ending July 2, 2022, were estimated at 2.286 million head, down 0.8 per cent from previous weeks estimates of 2.304 million head, but up 0.6 per cent from 2.272 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.329 million head, down 1.9 per cent from 2.375 million head over the same period in 2021. U.S hog slaughter numbers over the last eight weeks averaged 2.309 million head, down 0.9 per cent from 2.330 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending July 2, 2022, were estimated at 494.6 million lb., down 1.0 per cent from 499.4 million lb. the previous week, but up 4.1 per cent from 475.1 million lb. the same week a year ago. Pork production over the last four weeks ending July 2, 2022, were estimated to average 503.6 million lb., up 0.5 per cent from 501.0 million lb. over the same period a year ago. Pork production over the last eight weeks ending July 2, 2022, averaged 500.4 million lb., up 0.9 per cent from 495.7 million lb. the same period a year ago.

U.S. beef production for the week ending July 2, 2022, were estimated at 514.5 million lb., down 4.6 per cent from 539.1 million lb. the previous week, but up 0.5 per cent from 512.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the four weeks ending June 25, 2022, were estimated to average 2.160 billion lb., up 1.6 per cent from 2.1255 billion lb. over the same four weeks a year ago. Based on the weekly production numbers, U.S. meat production year-to-date for the first twenty-five weeks of 2022 was slightly lower (-0.045 per cent) compared to the same period a year ago.

United States Weekly Meat Production

	(June 25) Four Week Average - Million Lb.		Percent Change	
	2021	2022	4 Week	2022
Pork	489.1	491.1	0.40%	-3.16%
Beef	517.4	528.6	2.16%	1.42%
Chicken	1,002.5	1,032.3	2.98%	1.15%
Turkey	116.5	107.8	-7.46%	-2.70%
Total	2,125.5	2,159.8	1.613%	-0.045%

Source: LMIC

While pork is still leading the annual production declines with a 3.2 per cent decline in pork production year-to-date for the first twenty-five weeks of 2022, turkey production over the last four weeks has declined 7.5 per cent, compared to the same period a year ago. Pork production over the last four weeks has managed to increase 0.4 percent, compared to same period a year ago.

Cutout Values

Pork cutout values for the week ending July 2, 2022, averaged US\$107.81 per cwt, a price decline of US\$3.36 per cwt or 3.0 per cent from US\$111.17 per cwt the previous week; and down 6.1 per cent from US\$114.80 per cwt from the same week a year ago. Belly prices declined 10.8 per cent from the previous week to average US\$144.48 per cwt, while loin prices declined 1.6 per cent to average US\$98.71 per cwt.

Choice beef cutout prices (600-900 lb.) for the week ending July 2, 2022, averaged US\$265.70 per cwt over the week, a slight price decline of US\$0.35 per cwt from US\$266.05 per cwt from the previous week; and down 8.6 per cent from US\$290.83 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending July 2, averaged US\$302.45 per cwt, a price decline of US\$12.04 per cwt or 3.8 per cent from US\$314.49 per cwt from the previous week, but up 63.8 per cent from US\$184.65 per cwt from the same week a year ago.

USDA Hogs and Pigs Report

USDA released the *June Hogs and Pigs Report* on June 29, 2022. Total U.S. hog inventory numbers as of June 1, 2022, was estimated at 72.524 million head, down 0.86 per cent from 73.153 million head on June 1, 2021, and down slightly from March 1, 2022. The total annual inventory decline from June 2021 was 0.86 per cent which was more than the 0.3 per cent average decline estimated by the trade analysts.

Breeding herd inventory numbers in the United States as of June 1, 2022, was estimated at 6.168 million head, down 0.84 per cent from 6.220 million head on June 1, 2021, but up 1.15 per cent from 6.098 million head on March 1, 2022. Breeding herd numbers declined 0.84 per cent while the average trade analyst estimates were expecting a smaller decline of about 0.5 per cent.

Market herd inventory numbers in the United States as of June 1, 2022, were estimated at 66.356 million head, down 0.86 per cent from 66.933 million head on June 1, 2021, and

0.25 per cent lower from 66.521 million head on March 1, 2022. Trade analysts were estimating market inventory numbers to decline by only 0.3 per cent (year/year); which was a smaller decline than the actual reported decline of 0.86 per cent by USDA.

United States Hog Inventory Numbers, (1,000 head)

	Jun-21	Sep-21	Dec-21	Mar-22	Jun-22	Mar-Jun.	YY(June)
All Hogs & Pigs	73,153	74,867	74,446	72,619	72,524	-0.13%	-0.86%
Kept for breeding	6,220	6,190	6,125	6,098	6,168	1.15%	-0.84%
Market	66,933	68,677	68,321	66,521	66,356	-0.25%	-0.86%
Market Hogs							
Under 50 lbs	21,354	21,690	21,594	20,045	21,083	5.18%	-1.27%
50-119 lbs	18,919	20,211	19,005	19,015	18,811	-1.07%	-0.57%
120-179 lbs	13,830	14,246	14,374	14,993	13,737	-8.38%	-0.67%
180 lbs & Over	12,829	12,529	13,348	12,468	12,725	2.06%	-0.81%

Source: June 29, 2022 USDA Hogs & Pigs Report

Sow farrowing numbers for the March-to-May 2022 period totaled 2.992 million head, a 1.4 per cent decline from 3.034 million head farrowed the same quarter a year ago, which was higher than the 0.7 percent decline estimated by trade analysts.

United States, Sows Farrowing and Intentions, Pigs Born

Quarterly Sows Farrowing and Intentions				Quarterly Pigs Born		
Thousand Head				Thousand Head		
Quarter	2020	2021	2022	2020	2021	2022
Dec - Feb (1)	3,182	2,929	2,912	35,016	32,059	31,873
Mar - May	3,147	3,034	2,992	34,621	33,233	32,905
June - Aug	3,260	3,050	3,019 (2)	36,056	33,944	
Sept - Nov	3,165	3,049	3,007 (2)	34,987	34,123	
TOTAL	12,754	12,062	11,930	140,680	133,359	64,778

(1) December preceeding year. (2022)

(2) Farrowing Intentions. (2022)

Source: USDA Hogs and Pigs Report, June 29, 2022.

USDA reported farrowing intentions for the June-to-August 2022 period were estimated at 3.019 million head, a decrease of 1.0 per cent from the same quarter a year ago. Trade analysts were projecting only a farrowing decline of 0.3 per cent. USDA farrowing intentions for the September-to-November 2022 period were estimated to decline 1.4 per cent, a larger decline then the slight 0.1 per cent decline estimated by trade analysts.

USDA reported March-to-May 2022 pig crop was 32.905 million head, a decline of 1.0 per cent from the same quarter in 2021. Trade analysts had estimated a smaller decline of 0.7 per cent in the pig crop for the period.

The *USDA Hogs and Pigs Report* numbers were overall more positive compared to the pre-estimates. Both market inventory numbers and breeding herd numbers were slightly lower than expected which should be viewed as a slight positive. Also, the smaller pig crop and lower farrowing intentions over the next two quarters should be viewed as a slight positive.

For more information, contact:

Brad Marceniuk, PAg, MSc, BSA
Provincial Livestock Economist
(306) 933-5098
brad.marceniuk@gov.sk.ca