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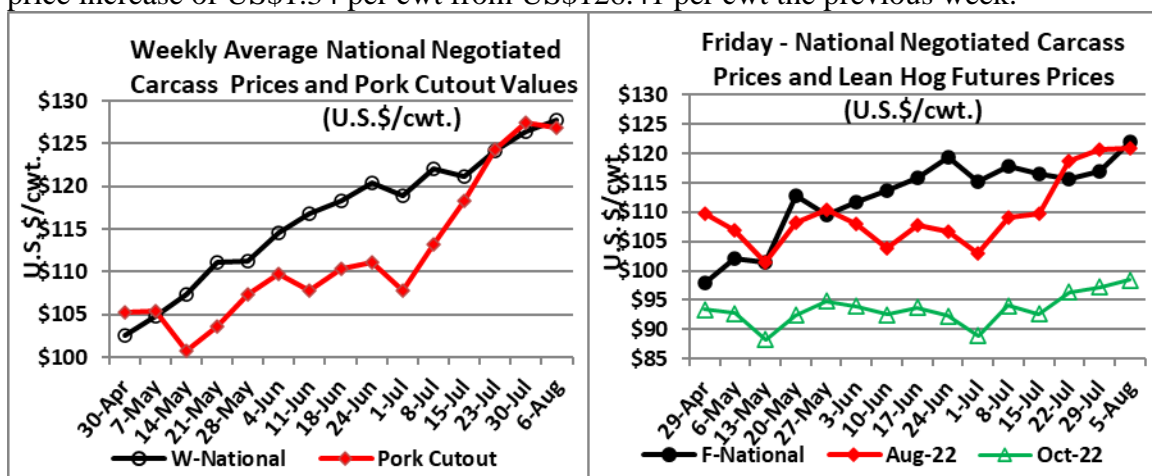
Bi-Weekly Hog Report

August 8, 2022

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) were higher Tuesday and Wednesday last week before declining later in the week, but ended the week higher, week-over-week. Daily average hog prices for the second week in a row reached levels just over US\$130 per cwt, only about US\$1 per cwt below the record all-time daily average price highs achieved in July 2014.

Cash hog prices on Friday August 5, averaged US\$122.03 per cwt, a price increase of US\$5.11 per cwt or 4.4 per cent from US\$116.92 per cwt the previous Friday. The negotiated weekly average National base price averaged US\$127.75 per cwt last week, a price increase of US\$1.34 per cwt from US\$126.41 per cwt the previous week.



Source: LMIC

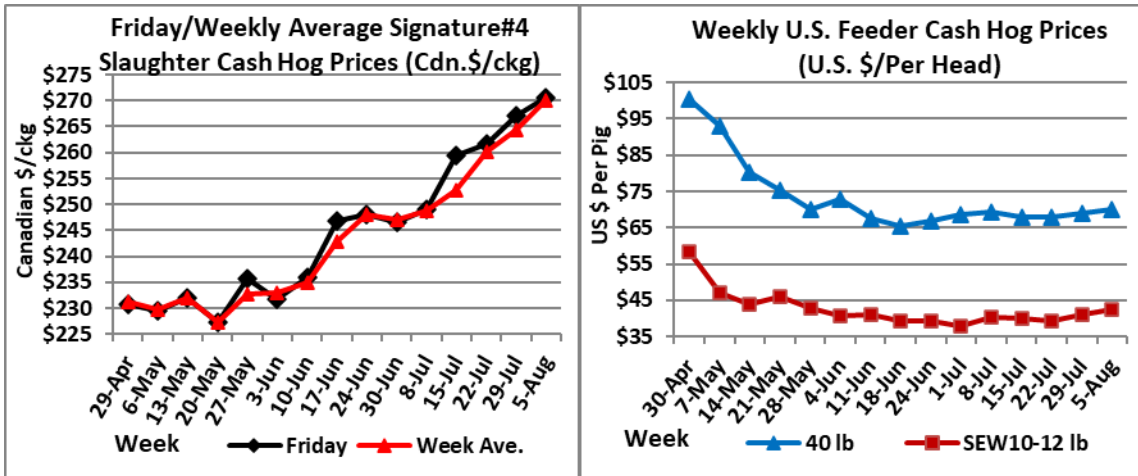
Source: LMIC, CME

Futures Markets

United States lean hog futures daily prices were mixed last week but overall edged higher, week-over-week. The nearby August 2022 contract settled Friday at US\$120.825 per cwt, a slight price increase of US\$0.175 per cwt from the previous Friday's close of US\$120.650 per cwt. The October 2022 contract increased US\$1.175 per cwt last week to settle Friday at US\$98.400 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) prices edged higher last week. Weighted average cash prices for U.S. based iso-weans (12lb) were US\$42.33 per head last week, a price increase of US\$1.26 per head from US\$41.07 per head the previous week. Feeder (40lb) cash prices averaged US\$70.09 per head last week, a price increase of US\$1.22 per head from US\$68.87 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 Friday August 5, 2022, was \$270.57 per ckg, a price increase of \$3.45 per ckg from \$267.12 per ckg from the previous Friday. The Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged \$269.98 per ckg last week; a price increase of \$5.57 per ckg or 2.1 per cent from the previous weeks' average price of \$264.41 per ckg. Weekly average slaughter weight hog prices in Western Canada over the last two weeks have established new all-time record high prices. However, the current high feed cost environment continues to reduce profits from normal levels with these elevated market prices.

The Canadian dollar compared to the U.S. dollar ended the week lower and settled Friday at 77.316 cents, a price decline of 0.663 cents from 77.979 cents the previous Friday. U.S economic data over the week in reference to job numbers and employment were more positive in the U.S. versus Canada which helped the U.S. dollar strengthen against the Canadian dollar.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the U.S. week ending August 6, 2022, were estimated at 2.340 million head, up 2.1 per cent from previous weeks estimates of 2.291 million head, and up 0.5 per cent from 2.328 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.295 million head, down 0.8 per cent from 2.314 million head over the same period in 2021. U.S hog slaughter numbers over the last eight weeks averaged 2.264 million head, down 0.7 per cent from 2.280 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending August 6, 2022, were estimated at 495.9 million lb., up 1.9 per cent from 486.5 million lb. the previous week, and up 1.7 per cent from 487.5 million lb. the same week a year ago. Pork production over the last four weeks ending August 6, 2022, were estimated to average 486.1 million lb., up 0.33 per cent from 484.5 million lb. over the same period a year ago. Pork production over the last eight weeks ending August 6, 2022, averaged 481.2 million lb., up 0.64 per cent from 478.1 million lb. the same period a year ago.

U.S. beef production for the week ending August 6, 2022, were estimated at 528.2 million lb., down 2.6 per cent from 542.4 million lb. the previous week, but up slightly from 527.1 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the four weeks ending July 30, 2022, were estimated to average 2.146 billion lb., up 0.72 per cent from 2.130 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 30-weeks of 2022 was slightly higher (+0.083 per cent) compared to the same period a year ago.

United States Weekly Meat Production

	(July 30) Four Week Average - Million Lb.		Percent Change	
	2021	2022	4 Week	2022
Pork	463.0	467.1	0.89%	-2.58%
Beef	516.2	525.8	1.87%	1.46%
Chicken	1,030.5	1,046.3	1.53%	1.18%
Turkey	120.9	106.7	-11.72%	-3.68%
Total	2,130.5	2,145.8	0.720%	0.083%

Source: LMIC

Cutout Values

Pork cutout values for the week ending August 6, 2022, averaged US\$126.81 per cwt, a price decline of US\$0.69 per cwt from US\$127.50 per cwt the previous week; but up 1.3 per cent from US\$125.23 per cwt from the same week a year ago. Belly prices managed to increase 4.0 per cent from the previous week to average US\$220.23 per cwt.

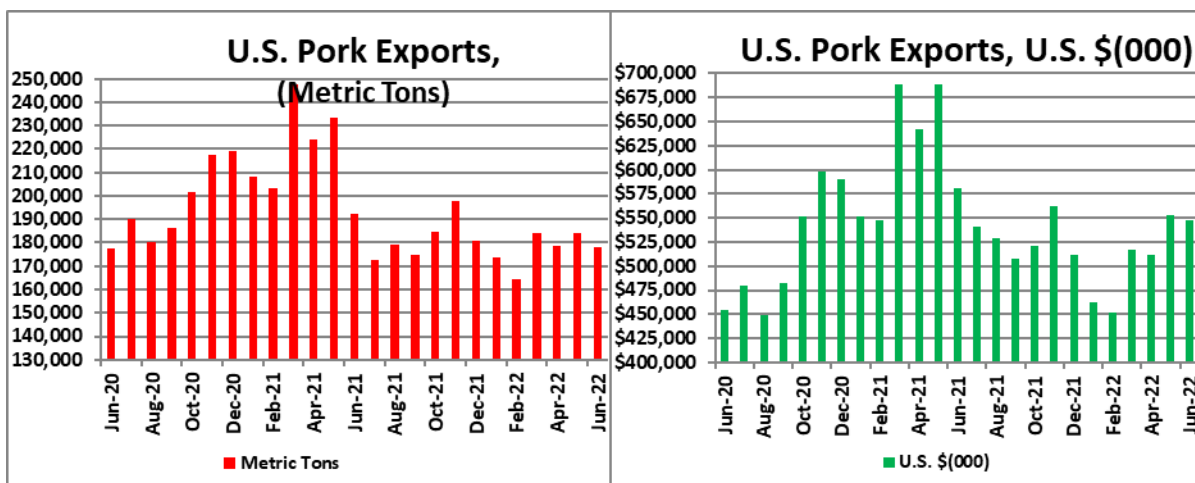
Choice beef cutout prices (600-900 lb.) for the week ending August 6, 2022, averaged US\$267.58 per cwt over the week, a small price decline of US\$0.85 per cwt from US\$266.44 per cwt from the previous week; and down 7.4 per cent from US\$289.00 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending August 6, averaged US\$243.88 per cwt, a large price decline of US\$15.33 per cwt or 5.9 per cent from US\$259.21 per cwt from the previous week, but up 34.6 per cent from US\$181.22 per cwt from the same week a year ago.

United States Pork Exports

United States pork exports in June 2022 were lower by both volume and dollar sales from May 2022. While exports have increased from early 2022, they are still well below pork exports achieved in 2021. United States exported 177,843 metric tons of pork in June 2022, down 3.3 per cent from 183,842 metric tons in May 2022, and down 7.5 per cent from June 2021.

U.S. pork exports by volume in June 2022 were the highest to Mexico at 64,157 metric tons (36.1 per cent), followed by Japan at 30,278 metric tons (17.0 per cent). China was third by volume at 16,167 metric tons (9.1 per cent), with South Korea fourth at 15,721 metric tons (8.8 per cent). Chinese pork imports from the U.S were almost half the volume of a year ago but managed small gain over the last two months.



Source: USDA, USMEF

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By dollar amount, U.S. pork exports in June 2022 were \$547.8 million dollars, a small 0.85 per cent decline from May 2022, and a 5.7 per cent decline from June a year ago. U.S. pork exports by dollar value for June 2022 were the highest to Mexico at \$150.0 million dollars (27.4 per cent), Japan at \$123.8 million dollars (22.6 per cent) and Canada at \$60.5 million dollars (11.1 per cent). South Korea was fourth in June increasing to \$55.8 million dollars (10.2 per cent), China was fifth at \$45.5 million dollars (8.3 per cent). Export increases to Mexico and South Korea in June 2022 have helped to compensate for some of the big export declines to China from a year ago.

Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers on July 22 for the June 30, 2022, inventory numbers. The United States' pork stocks in cold storage totaled 541.0 million lb. on June 30, 2022, up 22.4 per cent from 441.9 million lb. a year ago on June 30, 2021; but down 0.9 per cent from 546.1 million lb. a month ago on May 31, 2022. U.S. pork stocks in cold storage for June 30, 2022, were above the monthly 15-year average for June but below the monthly 15-year highs for June.

The U.S. beef stocks in cold storage totaled 516.2 million lb. on June 30, 2022, up 28.6 per cent from 401.5 million lb. a year ago on June 30, 2021; but down 1.9 per cent from 526.1 million lb. the previous month on May 31, 2022. Beef stocks in cold storage for June 30, 2022, reached a NEW 15-year monthly record high for June.

United States Stocks in Cold Storage (Frozen)

Commodity	1,000 Pounds		
	30-Jun-2021	31-May-2022	30-Jun-2022
Pork	441,916	546,061	540,993
Beef	401,515	526,140	516,203
Chicken	738,267	750,421	772,071
Turkey	405,996	377,609	415,123
Total Combined	1,987,694	2,200,231	2,244,390

Source: NASS

Total pork, beef, chicken, and turkey in cold storage on June 30, 2022, was estimated to be 2.244 billion lb., up 12.9 per cent from 1.988 billion lb. a year ago on June 30, 2021; and up 2.0 per cent from 2.200 billion lb. a month ago on May 31, 2022. U.S. meat in cold storage for June 30, 2022, was above the monthly 15-year average but below the monthly 15-year highs for June.

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