

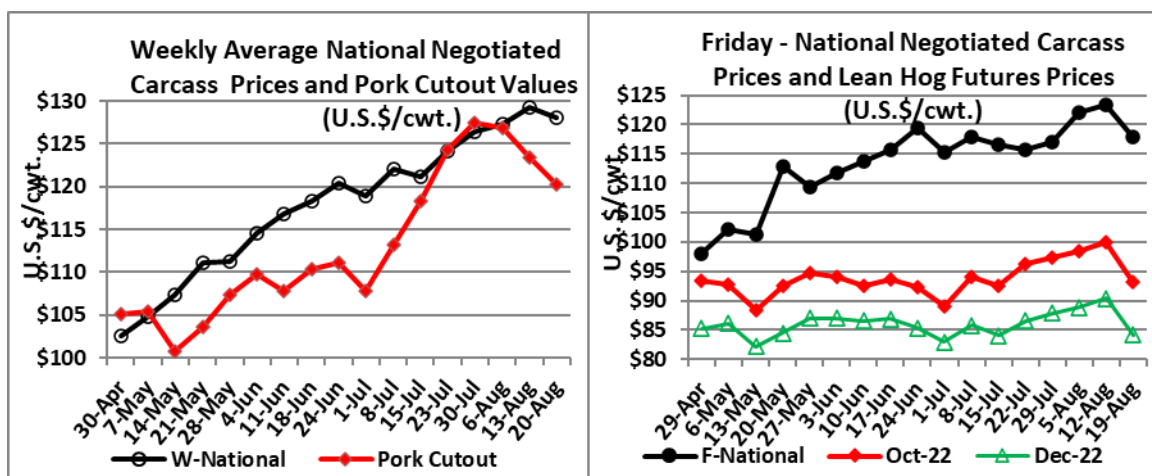
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## Bi-Weekly Hog Report

August 22, 2022

### Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) were mixed last week peaking Wednesday before moving lower Thursday and Friday to end the week lower, week-over-week. Cash hog prices on Friday August 19, averaged US\$117.80 per cwt, a price decline of US\$5.48 per cwt or 4.4 per cent from US\$123.28 per cwt the previous Friday. The negotiated weekly average National base price averaged US\$128.12 per cwt last week, a price decline of US\$1.09 per cwt from US\$129.21 per cwt the previous week.



Source: LMIC

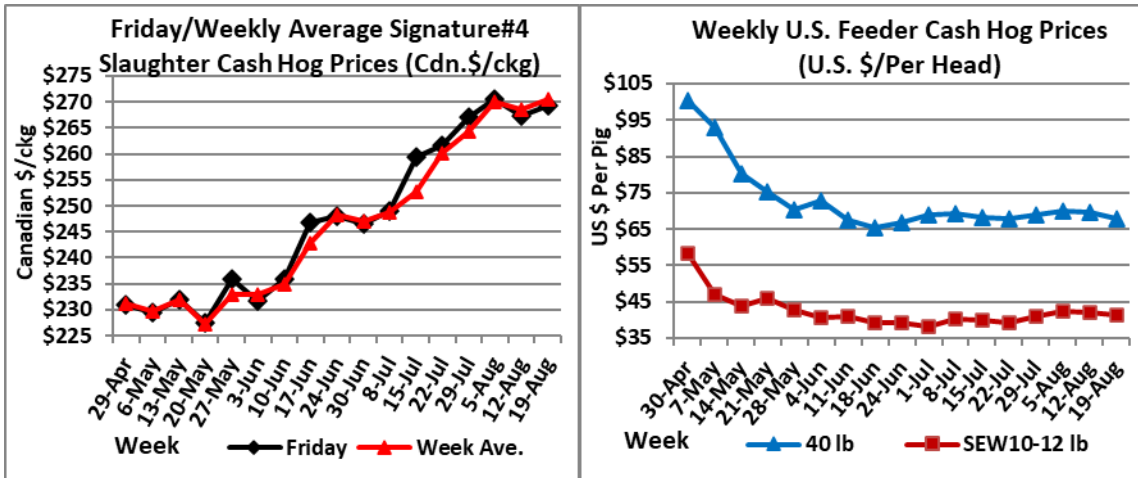
Source: LMIC, CME

### Futures Markets

United States lean hog futures daily prices were mixed last week but noticeably lower, week-over-week. The nearby October 2022 contract settled Friday at US\$93.125 per cwt, a price decline of US\$6.900 per cwt from the previous Friday's close of US\$100.025 per cwt. The December 2022 contract declined US\$6.225 per cwt last week to settle Friday at US\$84.150 per cwt.

### Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) prices edged lower last week. Weighted average cash prices for U.S. based iso-weans (12lb) were US\$41.37 per head last week, a price decline of US\$0.67 per head from US\$42.04 per head the previous week. Feeder (40lb) cash prices averaged US\$67.87 per head last week, a price decline of US\$1.74 per head from US\$69.61 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 19, 2022, was \$269.22 per ckg, a price increase of \$1.88 per ckg from \$267.34 per ckg from the previous Friday. The Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged \$270.48 per ckg last week; a price increase of \$1.88 per ckg from the previous weeks' average price of \$268.60 per ckg; a new all-time record-high weekly average price. A weakening Canadian dollar over the week helped Canadian prices edge higher from the previous week. The Canadian dollar compared to the U.S. dollar ended the week lower and settled Friday at 76.98 cents, a price decline of 1.25 cents from 78.23 cents the previous Friday.

### United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the U.S. week ending August 20, 2022, were estimated at 2.395 million head, up 3.0 per cent from previous weeks estimates of 2.325 million head, but down 1.5 per cent from 2.432 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.337 million head, down 1.4 per cent from 2.370 million head over the same period in 2021. U.S hog slaughter numbers over the last eight weeks averaged 2.269 million head, down 0.7 per cent from 2.285 million head over the same period a year ago.

### Meat Production

U.S. pork production for the week ending August 20, 2022, were estimated at 504.6 million lb., up 2.7 per cent from 491.4 million lb. the previous week, but down 0.5 per cent from 506.9 million lb. the same week a year ago. Pork production over the last four weeks ending August 20, 2022, were estimated to average 492.5 million lb., down 0.5 per cent from 495.1 million lb. over the same period a year ago. Pork production over the last eight weeks ending August 20, 2022, averaged 479.6 million lb., up 0.3 per cent from 478.1 million lb. the same period a year ago. U.S. pork production continues to below 2021 numbers and is currently estimated at 2.45 per cent lower, year-to-date.

U.S. beef production for the week ending August 20, 2022, were estimated at 535.8 million lb., up 2.2 per cent from 524.5 million lb. the previous week, but down 2.3 per cent from 548.2 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the four weeks ending August 13, 2022, were estimated to average 2.217 billion lb., up 0.5 per cent from 2.206 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 32-weeks of 2022 was slightly higher (+0.116 per cent) compared to the same period a year ago.

### United States Weekly Meat Production

| (Aug. 13) Four Week Average - Million Lb. | Percent Change |                |               |               |
|---|----------------|----------------|---------------|---------------|
|   | 2021           | 2022           | 4 Week        | 2022          |
| Pork                                      | 490.3          | 489.5          | -0.16%        | -2.45%        |
| Beef                                      | 527.5          | 531.9          | 0.83%         | 1.37%         |
| Chicken                                   | 1,060.4        | 1,085.2        | 2.34%         | 1.30%         |
| Turkey                                    | 127.7          | 110.7          | -13.34%       | -4.31%        |
| <b>Total</b>                              | <b>2,205.9</b> | <b>2,217.3</b> | <b>0.514%</b> | <b>0.116%</b> |

Source: LMIC

### Cutout Values

Pork cutout values for the week ending August 20, 2022, averaged US\$120.32 per cwt, a price decline of US\$3.02 per cwt or 2.4 per cent from US\$123.34 per cwt the previous week; but up 0.5 per cent from US\$119.75 per cwt from the same week a year ago. Belly prices had the biggest change over the week declining 4.9 per cent from the previous week to average US\$201.60 per cwt.

Choice beef cutout prices (600-900 lb.) for the week ending August 20, 2022, averaged US\$264.58 per cwt over the week, a small price increase of US\$0.45 per cwt from US\$264.13 per cwt from the previous week; but 21.9 per cent lower from US\$338.93 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending August 20, averaged US\$227.49 per cwt, a small price increase of US\$0.83 per cwt from US\$226.66 per cwt from the previous week, and up 20.6 per cent from US\$188.64 per cwt from the same week a year ago.

### Meat In U.S. Cold Storage

USDA released the latest U.S. cold storage numbers today (August 22) for the July 31, 2022, inventory numbers. The United States' pork stocks in cold storage totaled 530.1 million lb. on July 31, 2022, up 20.0 per cent from 441.7 million lb. a year ago on July 31, 2021; but down 1.6 per cent from 538.7 million lb. a month ago on June 30, 2022. U.S. pork stocks in cold storage for July 31, 2022, were above the monthly 15-year average for July but below the monthly 15-year highs for July.

The U.S. beef stocks in cold storage totaled 510.8 million lb. on July 31, 2022, up 27.4 per cent from 400.8 million lb. a year ago on July 31, 2021; but down 1.2 per cent from 516.8 million lb. the previous month on June 30, 2022. Beef stocks in cold storage for July 31, 2022, reached a NEW 15-year monthly record high for July at 510.8 million lb.

Total pork, beef, chicken, and turkey in cold storage on July 31, 2022, was estimated to be 2.281 billion lb., up 13.5 per cent from 2.009 billion lb. a year ago on July 31, 2021; and up 1.8 per cent from 2.241 billion lb. a month ago on June 30, 2022.

U.S. meat in cold storage for July 31, 2022, was above the monthly 15-year average but below the monthly 15-year highs for July.

### United States Stocks in Cold Storage (Frozen)

| 1,000 Pounds          |                  |                  |                  |
|-----------------------|------------------|------------------|------------------|
| Commodity             | 31-Jul-2021      | 30-Jun-2022      | 31-Jul-2022      |
| Pork                  | 441,664          | 538,720          | 530,097          |
| Beef                  | 400,843          | 516,806          | 510,841          |
| Chicken               | 730,942          | 773,693          | 817,086          |
| Turkey                | 435,483          | 411,677          | 422,723          |
| <b>Total Combined</b> | <b>2,008,932</b> | <b>2,240,896</b> | <b>2,280,747</b> |

Source: NASS

### USDA World Agricultural Supply and Demand Estimates (WASDE)

In mid-August (August 12), the USDA released the August World Agricultural Supply and Demand Estimates (WASDE). August projections for U.S. meat production for 2022 were projected slightly higher (+0.02 per cent) from the July estimates. Production estimates were mixed with beef and broilers slightly higher, while pork and turkey lower.

U.S. meat production for 2022 is estimated to slightly decline (-0.31 per cent) from 2021, primarily from declines in pork production. Meat production changes from 2021 to 2022 are projecting production declines for pork (-2.2 per cent) and turkey (-4.4 per cent); but increases to broilers (+1.0 per cent) and beef (+0.15 per cent). (Source: USDA WASDE).

### USDA August 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                  |
| % Chg. | Chg. 2020 to 2021   | 2.85%          | -2.22% | 0.71%   | -3.22% | 0.24%                    |
| 2022   | July proj.          | 27,922         | 27,159 | 45,295  | 5,359  | 106,456                  |
| 2022   | August proj.        | 27,990         | 27,078 | 45,363  | 5,314  | 106,476                  |
| 2022   | Chg. July to August | 0.24%          | -0.30% | 0.15%   | -0.84% | 0.02%                    |
| % Chg. | Proj. 2021 to 2022  | 0.15%          | -2.16% | 1.03%   | -4.39% | -0.31%                   |
| 2023   | August proj.        | 26,265         | 27,520 | 45,675  | 5,640  | 105,803                  |
| % Chg. | Proj. 2022 to 2023  | -6.16%         | 1.63%  | 0.69%   | 6.13%  | -0.63%                   |

Source: USDA August WASDE Report, August 12, 2022

U.S. meat production estimates for 2023 are projecting further declines (-0.63 per cent) from 2022. Beef production in the U.S. is projected to decline 6.2 per cent in 2023. Pork production in 2023 is projected to increase (+1.6 per cent), along with broilers (+0.7 per cent) and turkey (+6.1 per cent).

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