

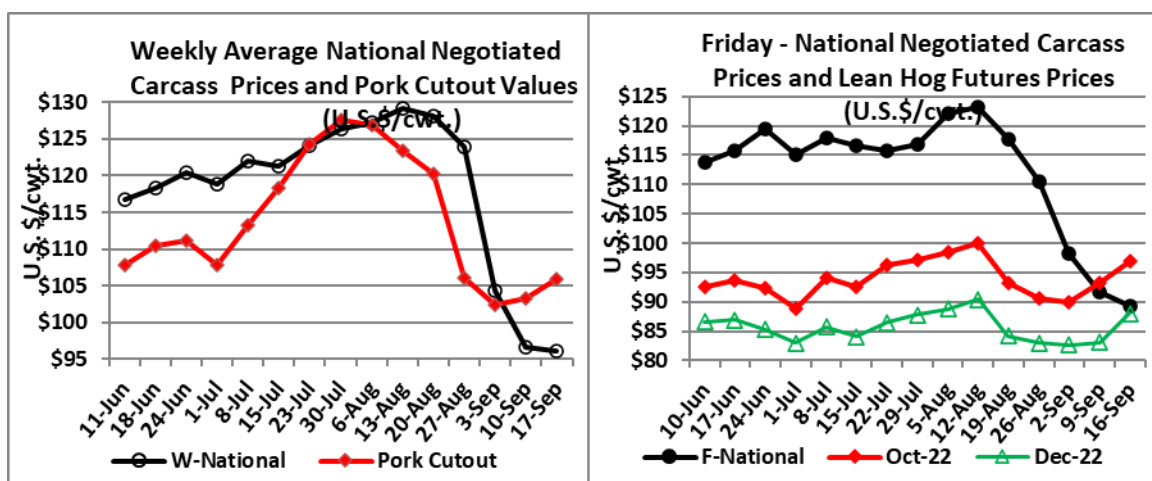
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Bi-Weekly Hog Report

September 19, 2022

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) were mixed last week, higher early in the week before declining lower into Friday. Cash hog prices on Friday September 16, averaged US\$89.24 per cwt, a price decline of US\$2.34 per cwt from US\$91.58 per cwt the previous Friday. The negotiated weekly average National base price averaged US\$96.11 per cwt last week, a small price decline of US\$0.43 per cwt from US\$96.54 per cwt the previous week.



Source: LMIC

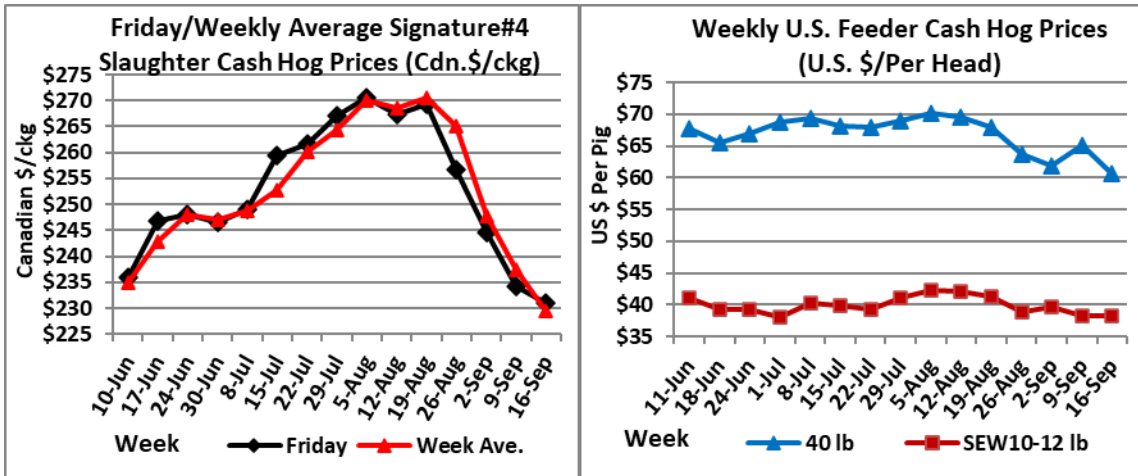
Source: LMIC, CME

Futures Markets

United States lean hog futures daily prices were mixed last week but managed to move high with strong gains on nearby contracts. The nearby October 2022 contract settled Friday at US\$96.90 per cwt, a price increase of US\$3.725 per cwt from the previous Friday's close of US\$93.175 per cwt. The December 2022 contract increased US\$4.85 per cwt or 5.8 per cent last week to settle Friday at US\$87.975 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) prices were weaker last week. Weighted average cash prices for U.S. based iso-weans (12lb) were US\$38.20 per head last week, steady with a slight decline from US\$38.25 per head the previous week. Feeder (40lb) cash prices averaged US\$60.68 per head last week, a price decline of US\$4.38 per head from US\$65.06 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 Sept. 16, 2022, was \$231.04 per ckg, a price decline of \$3.12 per ckg or 1.3 per cent from \$234.16 per ckg from the previous Friday. The Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged \$229.52 per ckg last week; a noticeable price decline of \$7.93 per ckg from the previous weeks' average price of \$237.45 per ckg. The Canadian dollar compared to the U.S. dollar ended the week noticeably lower and settled Friday at 75.273 cents, a price big decline of 1.44 cents from 76.716 cents the previous Friday. The Canadian dollar was at the lowest level since October 2020. A stronger U.S. dollar with anticipation of a large U.S. rate hike pushed the U.S. dollar up relative to the Canadian dollar.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the U.S. week ending September 17, 2022, were estimated at 2.465 million head, up 9.9 per cent from the previous shorter week's estimate of 2.243 million head, but down 3.1 per cent from 2.544 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.372 million head, down 1.2 per cent from 2.402 million head over the same period in 2021. U.S hog slaughter numbers over the last eight weeks averaged 2.356 million head, down 1.2 per cent from 2.386 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending September 17, 2022, was estimated at 517.6 million lb., up 10.0 per cent from 470.5 million lb. the previous shorter week, but down 3.3 per cent from 535.5 million lb. the same week a year ago. Pork production over the last four weeks ending September 17, 2022, was estimated to average 497.9 million lb., down 1.0 per cent from 503.1 million lb. over the same period a year ago. Pork production over the last eight weeks ending September 17, 2022, averaged 494.9 million lb., down 0.8 per cent from 499.1 million lb. the same period a year ago.

U.S. beef production for the week ending September 17, 2022, was estimated at 546.5 million lb., up 10.6 per cent from 494.1 million lb. the previous shorter week, and up 1.7 per cent from 537.4 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the four weeks ending September 10, 2022, were estimated to average 2.214 billion lb., up 2.7 per cent from 2.155 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 36-weeks of 2022 was higher (+0.389 per cent) compared to the same period a year ago. Pork production over the last four weeks was only 0.2 per cent lower compared to the same period a year ago, while pork production year-to-date is down about 2.3 per cent.

United States Weekly Meat Production

(Sept. 10) Four Week Average - Million Lb.	Percent Change			
	2021	2022	4 Week	2022
Pork	496.0	495.0	-0.20%	-2.27%
Beef	518.4	530.1	2.24%	1.48%
Chicken	1,023.6	1,079.9	5.50%	1.76%
Turkey	117.0	108.9	-6.93%	-4.59%
Total	2,155.0	2,213.8	2.731%	0.389%

Source: LMIC

Cutout Values

Pork cutout values for the week ending September 17, 2022, averaged US\$105.92 per cwt, a price increase of US\$2.72 per cwt or 2.6 per cent from US\$103.20 per cwt the previous week; and up 1.2 per cent from US\$104.68 per cwt from the same week a year ago. Ham prices had a big change over the week increasing 7.4 per cent from the previous week to average US\$108.24 per cwt.

Choice beef cutout prices (600-900 lb.) for the week ending September 17, 2022, averaged US\$254.76 per cwt over the week, a price decline of US\$4.51 per cwt or 1.7 per cent from US\$259.27 per cwt from the previous week; and 20.4 per cent lower from US\$320.22 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On September 12, the USDA released the September World Agricultural Supply and Demand Estimates (WASDE). September projections for U.S. meat production for 2022 were projected slightly higher (+0.08 per cent) from the August estimates. Production estimates were primarily higher with increases to beef, pork and broilers, while turkey was lower.

U.S. meat production for 2022 is estimated to slightly decline (-0.24 per cent) from 2021, primarily from declines in pork and turkey production. Meat production changes from 2021 to 2022 are projecting production declines for pork (-2.0 per cent) and turkey (-6.2 per cent); but increases to broilers (+1.3 per cent) and beef (+0.21 per cent). (Source: USDA WASDE).

USDA September World Agricultural Supply and Demand Estimates

Year	Quarter	Million Pounds				Total Red Meat & Poultry
		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	August proj.	27,990	27,078	45,363	5,314	106,476
2022	Sept. proj.	28,006	27,133	45,474	5,214	106,557
2022	Chg. Aug. to Sept.	0.06%	0.20%	0.24%	-1.88%	0.08%
% Chg.	Proj. 2021 to 2022	0.21%	-1.96%	1.28%	-6.19%	-0.24%
2023	August proj.	26,265	27,520	45,675	5,640	105,803
2023	September proj.	26,335	27,520	45,900	5,630	106,088
% Chg.	Proj. 2022 to 2023	-5.97%	1.43%	0.94%	7.98%	-0.44%

Source: USDA September WASDE Report, September 12, 2022

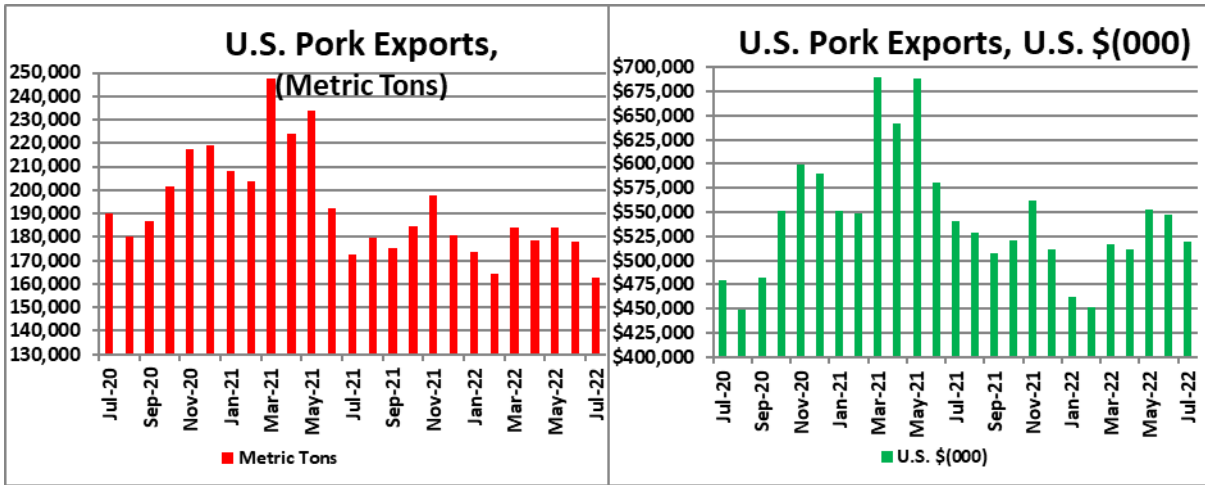
U.S. meat production estimates for 2023 are projecting further declines (-0.44 per cent) from 2022. Beef production in the U.S. is projected to decline 6.0 per cent in 2023. Turkey production in 2023 is projected to increase (+8.0 per cent), along with pork (+1.4 per cent) and broilers (+0.9 per cent).

U.S. corn production estimates in the September report for the current crop year were reduced 415 million bushels to 13.944 billion bushels; down 2.9 per cent from 14.359 billion bushels in the August projections. Corn yields were projected to decline by 2.9 bushels per acre to 172.5 bushels per acre in the September estimates. Harvested corn acres were also lowered by one million acres helping to reduce overall corn production. Even with lower corn usage the lower corn production in the September estimates was reduced enough to push estimated corn ending stocks lower for the year ending 2022/23. Ending corn stocks in the September report are now estimated to be reduced 166 million bushels or 12.2 per cent from the August report to end the year at 1.219 billion bushels.

United States Pork Exports

United States pork exports in July 2022 were lower by both volume and dollar sales from June 2022. United States exported 162,678 metric tons of pork in July 2022, down 8.5 per cent from 177,842 metric tons in June 2022, and down 5.8 per cent from July 2021.

U.S. pork exports by volume in July 2022 were the highest to Mexico at 60,999 metric tons (37.5 per cent), followed by Japan at 27,682 metric tons (17.0 per cent). China was third by volume at 14,623 metric tons (9.0 per cent), with South Korea fourth at 13,947 metric tons (8.6 per cent). Chinese pork imports from the U.S were lower by volume from a year ago, but only slightly lower than the same dollar amount from a year ago. U.S. pork exports to China year-to-date as of July 2022 were about 65 per cent lower compared to 2021.



Source: USDA, USMEF

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By dollar amount, U.S. pork exports in July 2022 were \$519.9 million dollars, a 5.1 per cent decline from June 2022, and a 3.8 per cent decline from July a year ago. U.S. pork exports by dollar value for July 2022 were the highest to Mexico at \$153.1 million dollars (29.5 per cent), Japan at \$114.1 million dollars (21.9 per cent) and Canada at \$62.9 million dollars (12.1 per cent). South Korea was fourth in July increasing to \$48.5 million dollars (9.3 per cent) while China was fifth at \$42.5 million dollars (8.2 per cent). Export increases to Mexico and South Korea in July 2022 have helped to compensate for some of the other export declines from a year ago.

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