

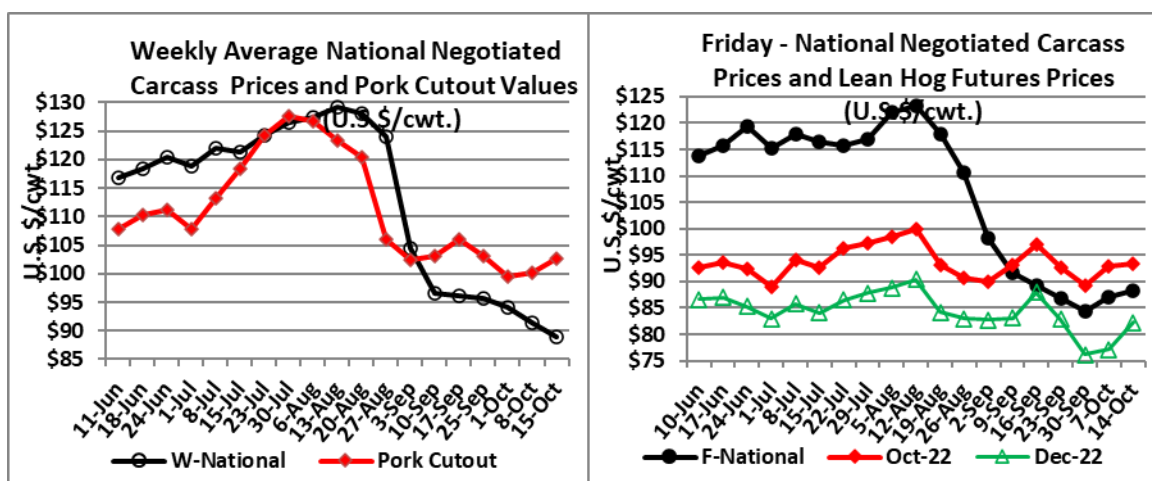
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Bi-Weekly Hog Report

October 17, 2022

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) were mixed last week but ended the week higher. Cash hog prices on Friday October 14, averaged US\$88.21 per cwt, a price increase of US\$1.14 per cwt from US\$87.07 per cwt the previous Friday. The negotiated weekly average National base price averaged US\$89.03 per cwt last week, a price decline of US\$2.27 per cwt or 2.5 per cent from US\$91.30 per cwt the previous week.



Source: LMIC

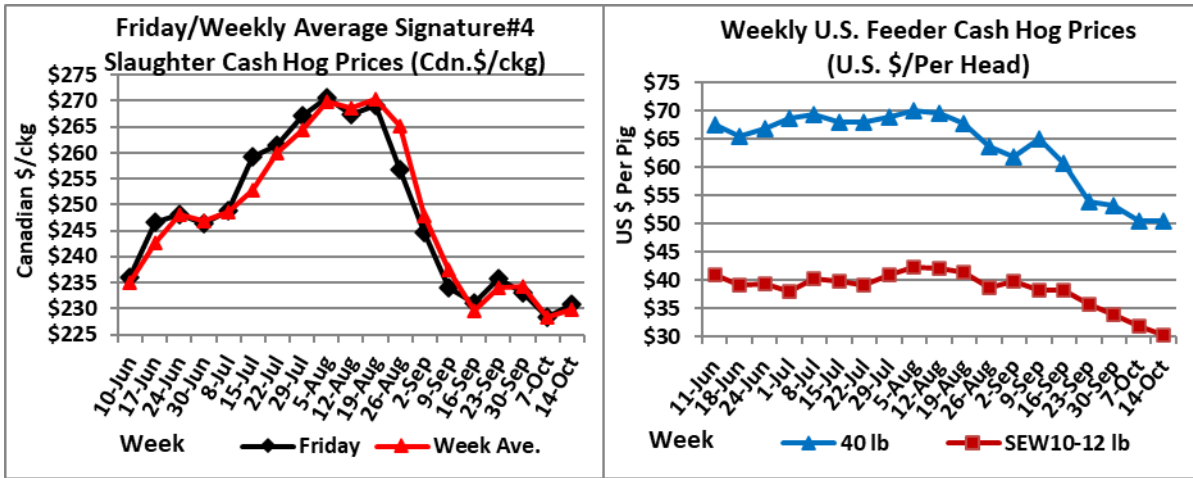
Source: LMIC, CME

Futures Markets

United States lean hog futures daily prices were overall higher last week. The nearby October 2022 contract settled Friday at US\$93.375 per cwt, a price increase of US\$0.425 per cwt from the previous Friday's close of US\$92.950 per cwt. The December 2022 contract increased US\$5.100 per cwt or 6.6 per cent last week to settle Friday at US\$82.250 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\$30.34 per head last week, a price decline of US\$1.51 per pig from US\$31.85 per head the previous week. Feeder (40lb) cash prices averaged US\$50.48 per head last week, a slight price decline of US\$0.10 per head from US\$50.58 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 Oct. 14, 2022, was \$230.82 per ckg, a price increase of \$2.50 per ckg or 1.1 per cent from \$228.32 per ckg from the previous Friday. The Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged \$229.73 per ckg last week; a price increase of \$1.26 per ckg from the previous weeks’ average price of \$228.47 per ckg. The Canadian dollar compared to the U.S. dollar ended the week lower and settled Thursday at 72.17 cents, a price decline of 0.76 cents from 73.93 cents the previous Friday.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the U.S. week ending October 15, 2022, were estimated at 2.545 million head, down 0.5 per cent from the previous week’s estimate of 2.558 million head, and down 3.2 per cent from 2.630 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.536 million head, down 1.8 per cent from 2.582 million head over the same period in 2021. U.S hog slaughter numbers over the last eight weeks averaged 2.458 million head, down 1.4 per cent from 2.492 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending October 15, 2022, was estimated at 540.2 million lb., down 0.5 per cent from 542.7 million lb. the previous week, and down 4.1 per cent from 563.1 million lb. the same week a year ago. Pork production over the last four weeks ending October 15, 2022, was estimated to average 538.3 million lb., down 2.0 per cent from 549.3 million lb. over the same period a year ago. Pork production over the last eight weeks ending October 15, 2022, averaged 520.2 million lb., down 1.1 per cent from 526.2 million lb. the same period a year ago.

U.S. beef production for the week ending October 15, 2022, was estimated at 547.1 million lb., down 0.6 per cent from 550.2 million lb. the previous week, but up 2.2 per cent from 535.5 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the four weeks ending October 8, 2022, were estimated to average 2.356 billion lb., up 2.5 percent from the 2.299 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 40-weeks of 2022 was 0.6 per cent higher compared to the same period a year ago. Pork production over the last four weeks was 1.4 per cent lower compared to the same period a year ago, while pork production year-to-date is down about 2.1 per cent.

United States Weekly Meat Production

(Oct 8.) Four Week Average - Million Lb.	Percent Change			
	2021	2022	4 Week	2022
Pork	542.4	534.8	-1.41%	-2.15%
Beef	536.9	551.8	2.76%	1.65%
Chicken	1,090.7	1,151.3	5.55%	2.16%
Turkey	129.1	118.3	-8.42%	-5.00%
Total	2,299.1	2,356.0	2.475%	0.623%

Source: LMIC

Cutout Values

Pork cutout values for the week ending October 15, 2022, averaged US\$102.68 per cwt, a price improvement of US\$2.59 per cwt or 2.6 per cent from US\$100.09 per cwt the previous week; but down 1.8 per cent from US\$104.52 per cwt from the same week a year ago. Belly prices had a big increase over the week gaining 11.2 per cent from the previous week to average US\$143.10 per cwt.

Choice beef cutout prices (600-900 lb.) for the week ending October 15, 2022, averaged US\$246.31 per cwt over the week, a price decline of US\$0.58 per cwt from US\$246.89 per cwt from the previous week; and 12.2 per cent lower from US\$280.55 per cwt the same week a year ago.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On October 12, the USDA released the October World Agricultural Supply and Demand Estimates (WASDE). October projections for U.S. meat production for 2022 were projected 0.5 per cent higher from the September estimates. Production estimates were primarily higher with increases to beef and broiler production from the September estimates.

U.S. meat production for 2022 is now estimated to slightly increase 0.3 per cent in the October estimates compared with the September estimates which had a small production decline for 2022 (Sept. estimate -0.24 per cent) from 2021. The change was primarily due to increases in beef and broiler production projected. Meat production changes from 2021 to 2022 are now projecting production declines for pork (-1.9 per cent) and turkey (-6.4 per cent); but increases to broilers (+2.2 per cent) and beef (+0.7 per cent). (Source: USDA WASDE).

USDA October 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	Sept. proj.	28,006	27,133	45,474	5,214	106,557
2022	Oct. proj.	28,136	27,148	45,899	5,204	107,122
2022	Chg. Sept. to Oct.	0.46%	0.06%	0.93%	-0.19%	0.53%
% Chg.	Proj. 2021 to 2022	0.67%	-1.90%	2.23%	-6.37%	0.29%
2023	Sept. proj.	26,335	27,520	45,900	5,630	106,088
2023	Oct. proj.	26,365	27,345	46,625	5,610	106,658
2022	Chg. Sept. to Oct.	0.11%	-0.64%	1.58%	-0.36%	0.54%
% Chg.	Proj. 2022 to 2023	-6.29%	0.73%	1.58%	7.80%	-0.43%

Source: USDA September WASDE Report, October 12, 2022

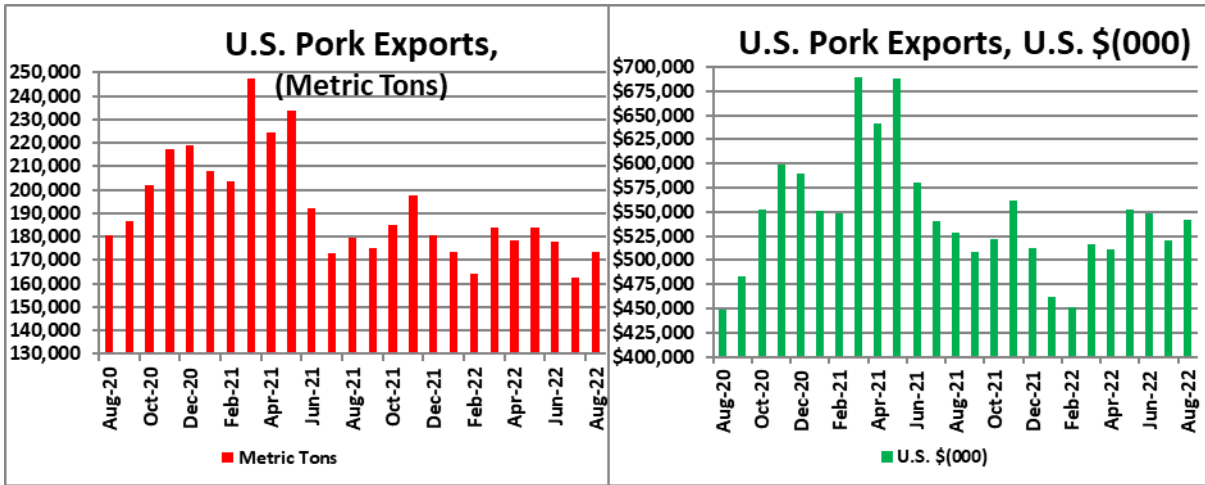
U.S. meat production estimates for 2023 are still projecting a decline (-0.4 per cent) from 2022 production. Beef production in the U.S. is projected to decline 6.3 per cent in 2023. Turkey production in 2023 is projected to increase (+7.8 per cent), along with broilers (+1.6 per cent) and pork (+0.7 per cent).

U.S. corn production estimates in the October report for the current crop year were reduced 49 million bushels to 13.895 billion bushels; down 0.4 per cent from 13,944 billion bushels in the September projections. Corn yields were projected to decline by 0.6 bushels per acre to 171.9 bushels per acre in the October estimates. Harvested corn acres were steady at 80.8 million acres. Even with lower corn usage the lower corn production in the October 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 47 million bushels or 3.9 per cent from the September report to end the year at 1.172 billion bushels. U.S. corn prices moved higher last week.

United States Pork Exports

United States pork exports in August 2022 were higher by volume and higher by dollar sales from July 2022. United States exported 173,335 metric tons of pork in August 2022, up 6.5 per cent from 162,678 metric tons in July 2022, but down 3.4 per cent from August 2021.

U.S. pork exports by volume in August 2022 were the highest to Mexico at 70,428 metric tons (40.7 per cent), followed by Japan at 26,059 metric tons (15.0 per cent). China was third by volume at 20,195 metric tons (11.7 per cent), with Canada fourth at 14,011 metric tons (8.1 per cent). While U.S. pork exports to China in August 2022 were higher than a year ago, U.S. pork exports year-to-date to China are 64 per cent lower compared to the same period in 2021.



Source: USDA, USMEF

Source: USDA, USMEF

By dollar amount, U.S. pork exports in August 2022 were \$541.3 million dollars, a 4.1 per cent increase from July 2022, but a 2.4 per cent decline from August a year ago. U.S. pork exports by dollar value for August 2022 were the highest to Mexico at \$175.0 million dollars (32.3 per cent), Japan at \$104.5 million dollars (19.3 per cent) and Canada at \$66.8 million dollars (12.3 per cent). China was the fourth largest pork importer from the U.S. in August at \$56.6 million dollars (10.5 per cent), which was 63 per cent higher than in August 2021. Chinese imports rebounded over the month after a long year of declines.

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