

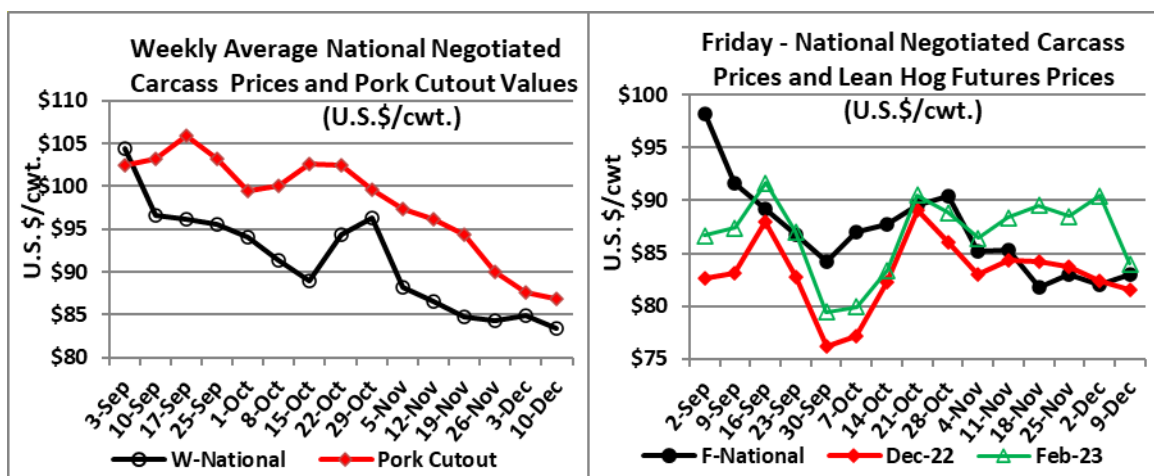
*This information is provided as a resource by Saskatchewan Agriculture staff.
All prices are in Canadian dollars unless otherwise noted.
 Please use this information at your own risk.*

Bi-Weekly Hog Report

December 12, 2022

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) were primarily lower over last six days except for last Tuesday, with Friday's daily price above the previous Friday. Cash hog prices on Friday December 9, averaged US\$82.99 per cwt, a price increase of US\$0.90 per cwt from US\$82.09 per cwt the previous Friday. However, the negotiated weekly average National base price averaged US\$83.44 per cwt last week, a price decline of US\$1.43 per cwt or 1.7 per cent from US\$84.87 per cwt the previous week.



Source: LMIC

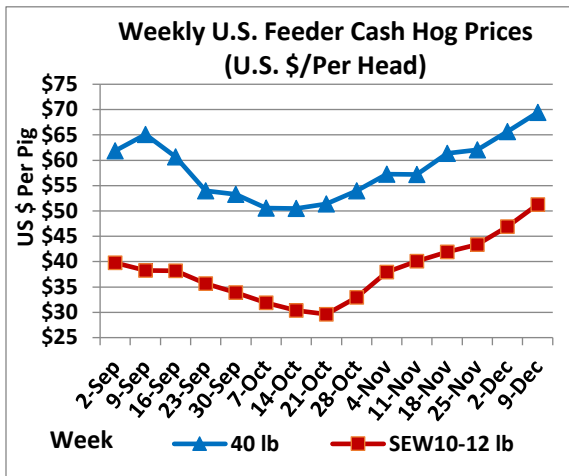
Source: LMIC, CME

Futures Markets

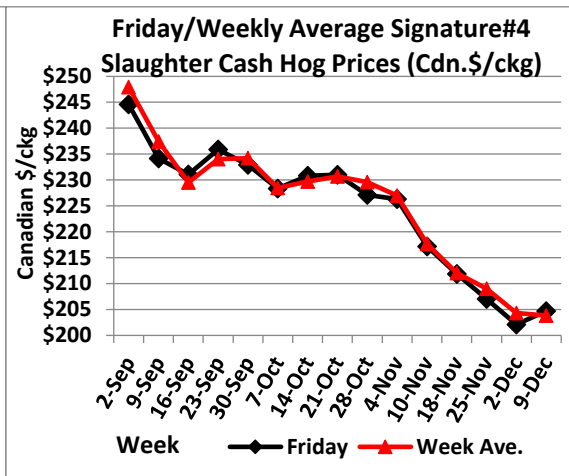
United States lean hog futures daily prices were mixed but primarily lower last week on big price declines on Tuesday and Thursday. The nearby December 2022 contract settled Friday at US\$81.575 per cwt, a price decline of US\$0.850 per cwt from the previous Friday's close of US\$82.425 per cwt. The February 2023 contract declined US\$6.425 per cwt or 7.1 per cent last week to settle Friday at US\$84.00 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) prices continued higher last week. Weighted average cash prices for U.S. based iso-weans (12lb) were US\$51.28 per head last week, a price increase of US\$4.39 per pig or 9.4 per cent from US\$46.89 per head the previous week. Feeder (40lb) cash prices averaged US\$69.42 per head last week, a price increase of US\$3.79 per head from US\$65.63 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 December 9, 2022, was \$204.68 per ckg, a price increase of \$2.56 per ckg or 1.3 per cent from \$202.12 per ckg from the previous Friday. However, the Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged \$203.84 per ckg last week; a small price decline of \$0.46 per ckg from the previous weeks’ average price of \$204.30 per ckg.

The Canadian dollar was lower relative to the U.S. dollar last week on lower oil prices even as the bank of Canada raised interest rates. The Canadian dollar settled Friday at 73.37 cents, a decline of 0.88 cents from 74.25 cents the previous Friday.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending December 10, 2022, were estimated at 2.572 million head, down 0.7 per cent from the previous week’s estimate of 2.590 million head, and down slightly from 2.576 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.492 million head, down 1.5 per cent from 2.530 million head over the same period in 2021. U.S hog slaughter numbers over the last eight weeks averaged 2.522 million head, down 1.6 per cent from 2.566 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending December 10, 2022, was estimated at 553.9 million lb., down 0.7 per cent from 557.8 million lb. the previous week, and down 1.3 per cent from 561.2 million lb. the same week a year ago. Pork production over the last four weeks ending December 10, 2022, was estimated to average 536.8 million lb., down 2.4 per cent from 549.8 million lb. over the same period a year ago. Pork production over the last eight weeks ending December 10, 2022, averaged 542.7 million lb., down 2.2 per cent from 554.7 million lb. the same period a year ago.

U.S. beef production for the ending December 10, 2022, was estimated at 544.5 million lb., down 1.7 per cent from 553.7 million lb. the previous week, and down 2.8 per cent from 560.3 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the four weeks ending December 2, 2022, were estimated to average 2.237 billion lb., up 2.3 percent from the 2.187 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 48-weeks of 2022 was 1.1 per cent higher compared to the same period a year ago. Pork production over the last four weeks was 3.4 per cent lower compared to the same period a year ago, while pork production year-to-date is down about 2.2 per cent.

United States Weekly Meat Production

(Dec.2) Four Week Average - Million Lb.	Percent Change			
	2021	2022	4 Week	2022
Pork	551.3	532.8	-3.36%	-2.16%
Beef	541.3	542.7	0.26%	1.62%
Chicken	980.7	1,049.2	6.99%	3.03%
Turkey	114.2	112.5	-1.47%	-4.10%
Total	2,187.4	2,237.2	2.274%	1.061%

Source: LMIC

Cutout Values

Pork cutout values for the week ending December 10, 2022, averaged US\$86.85 per cwt, a price decline of US\$0.75 per cwt or 0.9 per cent from US\$87.60 per cwt the previous week; but up 1.4 per cent from US\$85.68 per cwt from the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending December 10, 2022, averaged US\$246.23 per cwt over the week, a price decline of 2.9 per cent from US\$253.53 per cwt from the previous week; and 7.7 per cent lower from US\$266.75 per cwt the same week a year ago.

Average chicken cutout values (breast) for the week ending December 10, averaged US\$94.36 per cwt, a price decline of US\$1.45 per cwt or 1.5 per cent from US\$95.81 per cwt from the previous week.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On December 9, the USDA released the December World Agricultural Supply and Demand Estimates (WASDE). December projections for U.S. meat production for 2022 were projected slightly (0.15 per cent) higher from the November estimates. Production estimates were primarily higher from increases to beef and broiler production from the November estimates. The production of beef was raised based on increased cattle slaughter and heavier carcass weights.

U.S. meat production for 2022 is now estimated to increase 0.68 per cent in the December estimates compared with the November estimates which had a smaller production increase for 2022, (Nov. estimates +0.52 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 projecting production declines for pork (-2.2 per cent) and turkey (-6.2 per cent); but increases to broilers (+2.66 per cent) and beef (+1.68 per cent). (Source: USDA WASDE).

USDA December 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	Nov. proj.	28,347	27,121	45,974	5,188	107,366
2022	Dec. proj.	28,417	27,061	46,095	5,213	107,531
2022	Chg. Nov. to Dec.	0.25%	-0.22%	0.26%	0.48%	0.15%
% Chg.	Proj. 2021 to 2022	1.68%	-2.22%	2.66%	-6.21%	0.68%
2023	Nov. proj.	26,275	27,345	46,825	5,580	106,738
2023	Dec. proj.	26,275	27,345	46,925	5,550	106,808
2022	Chg. Nov. to Dec.	0.00%	0.00%	0.21%	-0.54%	0.07%
% Chg.	Proj. 2022 to 2023	-7.54%	1.05%	1.80%	6.46%	-0.67%

Source: USDA December WASDE Report, December 9, 2022

U.S. meat production estimates for 2023 are projecting a decline of 0.7 per cent from 2022 production. Beef production in the U.S. is projected to decline 7.5 per cent in 2023. Turkey production in 2023 is projected to increase (+6.5 per cent), along with broilers (+1.8 per cent) and pork (+1.0 per cent).

For more information, contact:

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