

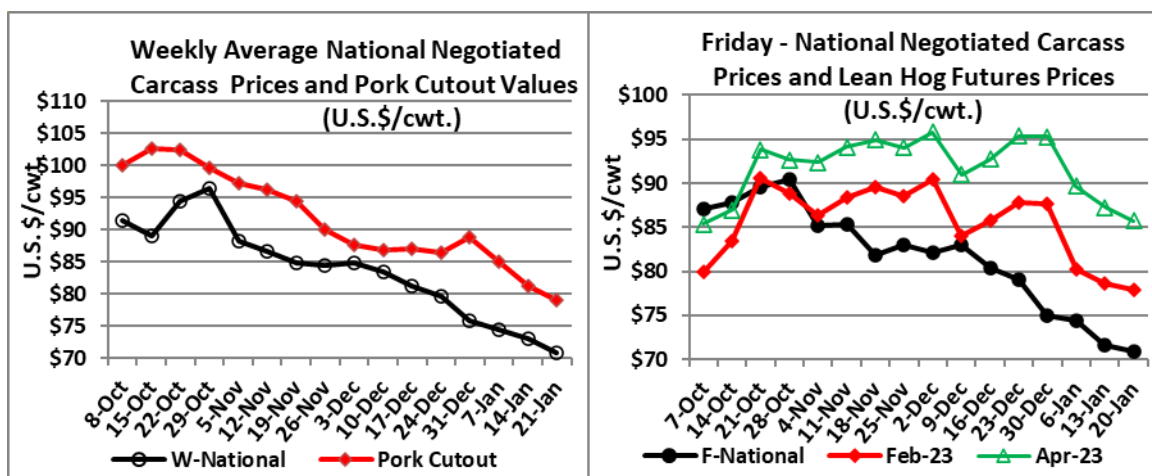
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Bi-Weekly Hog Report

January 23, 2023

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) continued to edge lower last week from the previous week with last Friday's daily average price below the previous Friday. Cash hog prices on Friday January 20th averaged US\$70.90 per cwt, a price decline of US\$0.73 per cwt from US\$71.63 per cwt the previous Friday. The negotiated weekly average National base price averaged US\$70.73 per cwt last week, a price decline of US\$2.26 per cwt or 3.1 per cent from US\$72.99 per cwt the previous week.



Source: LMIC

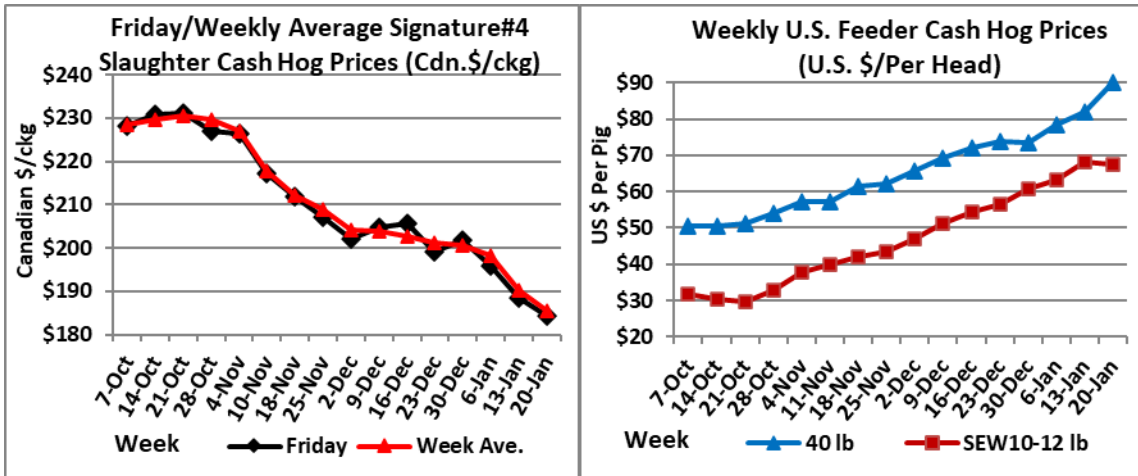
Source: LMIC, CME

Futures Markets

United States lean hog futures daily prices were mixed last week with price gains early and late in week, but had bigger price declines mid-week to push prices lower. The nearby February 2023 lean hog futures contract settled Friday at US\$77.825 per cwt, a price decline of US\$0.825 per cwt or 1.0 per cent from the previous Friday's close of US\$78.650 per cwt. The April 2023 contract declined US\$1.55 per cwt or 1.8 per cent last week to settle Friday at US\$85.725 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) prices were mixed last week. Weighted average cash prices for U.S. based iso-weans (12lb) were US\$67.53 per head last week, a price decline of US\$0.77 per pig or 1.1 per cent from US\$68.30 per head the previous week. Feeder (40lb) cash prices averaged US\$89.97 per head last week, a significant price increase of US\$8.16 per head or 10.0 per cent from US\$81.81 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 January 20, 2022, was \$184.34 per ckg, a price decline of \$4.06 per ckg or 2.2 per cent from \$188.40 per ckg from the previous Friday. The Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged \$185.45 per ckg last week; a price decline of \$4.92 per ckg or 2.6 per cent from the previous weeks' average price of \$190.37 per ckg. The Canadian dollar was mixed over the week but ended slightly lower relative to the U.S. dollar last week. The Canadian dollar settled Friday at 74.51 cents, a small price decline of 0.08 cents from 74.59 cents the previous Friday.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending January 21, 2023, were estimated at 2.531 million head, a 5.7 per cent decline from the previous week's estimate of 2.684 million head, but up 3.9 per cent from 2.436 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.436 million head, up 2.5 per cent from 2.377 million head over the same period a year ago. U.S hog slaughter numbers over the last eight weeks averaged 2.409 million head, down 0.3 per cent from 2.415 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending January 21, 2022, was estimated at 550.7 million lb., down 5.2 per cent from 580.9 million lb. the previous week, but up 3.1 per cent from 534.4 million lb. the same week a year ago. Pork production over the last four weeks ending January 21, 2023, was estimated to average 530.9 million lb., up 2.0 per cent from 520.5 million lb. over the same period a year ago. Pork production over the last eight weeks ending January 21, 2023, averaged 523.1 million lb., down 0.7 per cent from 526.9 million lb. the same period a year ago.

U.S. beef production for the week ending January 21, 2023, was estimated at 535.0 million lb., down 2.4 per cent from 548.4 million lb. the previous week, and down 0.4 per cent from 537.0 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the last four weeks ending January 14, 2023, were estimated to average 2.084 billion lb., up 2.5 percent from 2.034 billion lb. over the same four weeks a year ago. Based on the weekly production numbers U.S. meat production over the first 2-weeks of 2023, was 5.0 per cent lower compared to the same period a year ago.

United States Weekly Meat Production

	(Jan. 14) Four Week Average - Million Lb.		Percent Change	
	2021/22	2022/23	4 Week	2022
Pork	491.0	489.0	-0.40%	-9.43%
Beef	472.5	479.0	1.37%	-7.70%
Chicken	969.0	1,022.9	5.56%	-0.10%
Turkey	101.1	93.1	-7.86%	-13.90%
Total	2,033.6	2,084.0	2.480%	-5.009%

Source: LMIC

Cutout Values

Pork cutout values for the week ending January 21, 2023, averaged US\$79.10 per cwt, a price decline of US\$2.05 per cwt or 2.5 per cent from US\$81.15 per cwt the previous week; and down 14.0 per cent from US\$92.03 per cwt from the same week a year ago. Belly prices had the biggest price gains over the week increasing 2.6 per cent to average US\$91.42 per cwt, followed by ham prices that increased 1.1 per cent to average US\$74.37 per cwt. Loin prices had the largest declines with prices moving 1.6 per cent lower to average US\$81.73 per cwt, followed by trimmings which declined 1.3 per cent.

Choice beef cutout prices (600-900 lb.) for the week ending January 21, 2023, averaged US\$274.28 per cwt over the week, a price decline of US\$6.82 per cwt or 2.4 per cent from US\$281.10 per cwt from the previous week. Current beef cutout values are 5.7 per cent lower than the same week a year ago when they averaged US\$290.87 per cwt.

Average chicken cutout values (breast) for the week ending January 21, 2023, averaged US\$100.77 per cwt, a price increase of US\$3.65 per cwt or 3.8 per cent from US\$97.12 per cwt from the previous week.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On January 12, the USDA released the January World Agricultural Supply and Demand Estimates (WASDE). U.S. January estimates for the 2022 meat production year were overall slightly lower from the December 2022 projections. Beef, broilers, and turkeys had small production increases in January from the December estimates; while pork had small declines in production estimates compared to the December projections.

U.S. meat production for 2022 was estimated to increase 0.65 per cent from 2021. Broilers had the biggest estimated increase in 2022 from 2021 with a 3.0 per cent increase in production followed by beef which was estimated to increase 1.3 per cent. Pork production was estimated to decline 2.45 per cent in 2022 from 2021, while turkey was estimated to decline 6.0 per cent.

USDA January 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	Dec. proj.	28,417	27,061	46,095	5,213	107,531
2022	Jan. Est.	28,302	26,996	46,245	5,223	107,509
% Chg.	Est. 2021 to 2022	1.27%	-2.45%	3.00%	-6.03%	0.65%
2023	Dec. proj.	26,275	27,345	46,925	5,550	106,808
2023	Jan. proj.	26,445	27,480	46,900	5,560	107,093
2022	Chg. Nov. to Dec.	0.65%	0.49%	-0.05%	0.18%	0.27%
% Chg.	Proj. 2022 to 2023	-6.56%	1.79%	1.42%	6.45%	-0.39%

Source: USDA January WASDE Report, January 12, 2023

U.S. meat production for 2023 is projected to have a small decline (-0.39 per cent) from 2022. The production decline was reduced in the January projections from the December projections as beef production was forecasted higher (+0.65 per cent) along with pork (+0.49 per cent). Beef production for 2023 is forecasted to have the biggest annual production decline (-6.56 per cent), while production increases are projected for pork (+1.79 per cent), broilers (1.42 per cent), and turkeys (+6.45 per cent). (Source: USDA WASDE).

Pork production estimates in January were increased from the December projections reflecting the pig crop data in the 2nd half of 2022, and sow farrowing intentions for the first half of 2023.

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