

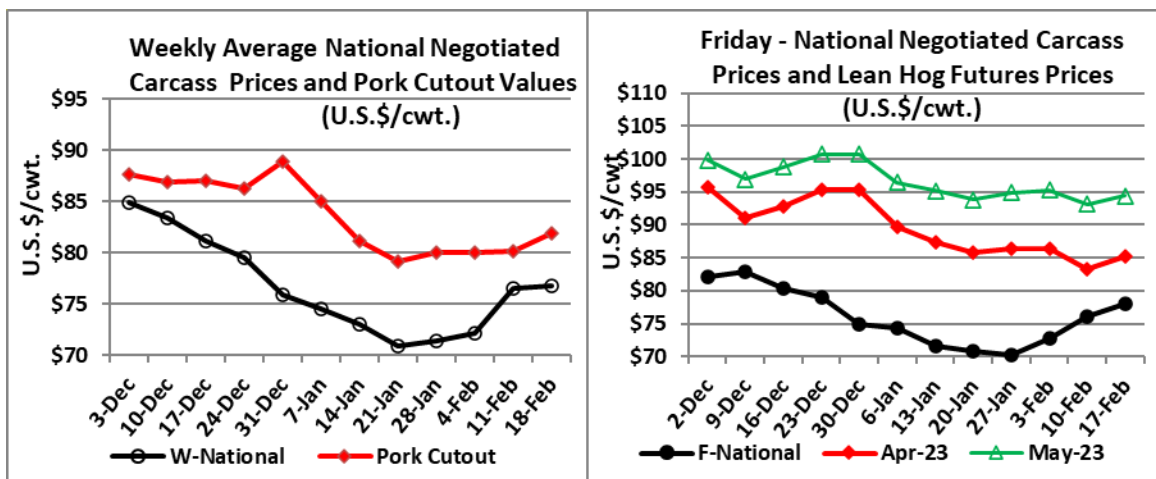
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Bi-Weekly Hog Report

February 21, 2023

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) were primarily higher last week to help push Friday prices higher, week-over-week. Cash hog prices on Friday February 17th averaged US\$77.96 per cwt, a price increase of US\$1.84 per cwt or 2.4 per cent from US\$76.12 per cwt the previous Friday. The negotiated weekly average National base price averaged US\$76.82 per cwt last week, a small price increase of US\$0.31 per cwt from US\$76.51 per cwt the previous week.



Source: LMIC

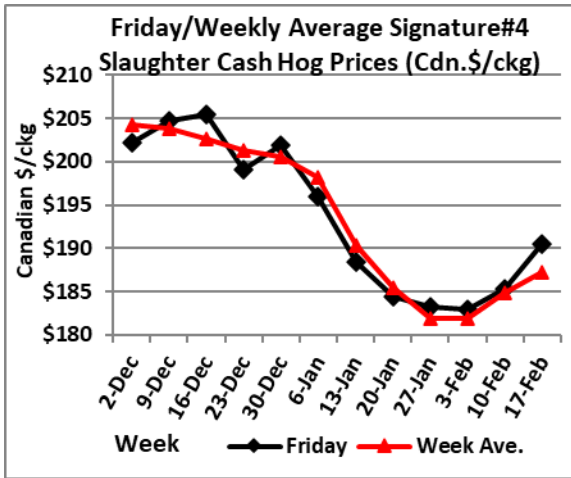
Source: LMIC, CME

Futures Markets

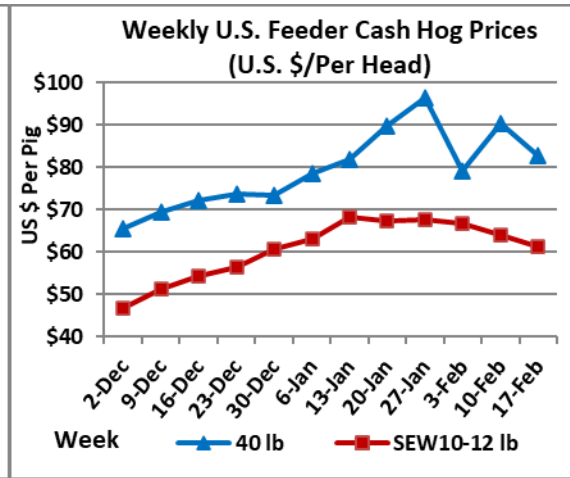
United States lean hog futures daily prices were higher early last week before declining Wednesday-to-Friday, but managed to move higher, week-over-week. The nearby April 2023 lean hog futures contract settled Friday at US\$85.275 per cwt, a price increase of US\$1.950 per cwt or 2.3 per cent from the previous Friday's close of US\$83.325 per cwt. The May 2023 contract increased US\$1.20 per cwt to settle Friday at US\$94.400 per cwt, while the June 2023 contract increased US\$1.075 per cwt to settle Friday at US\$102.725 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) prices were lower last week and continue to exhibit some volatility. Weighted average cash prices for U.S. based iso-weans (12lb) were US\$61.21 per head last week, a price decline of US\$2.94 per pig or 4.6 per cent from US\$64.15 per head the previous week. Feeder (40lb) cash prices averaged US\$82.78 per head last week, a large price decline of US\$7.71 per head or 8.5 per cent from US\$90.49 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 February 17, 2023, was \$190.45 per ckg, a price increase of \$5.17 per ckg from \$185.28 per ckg from the previous Friday. The Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged \$187.18 per ckg last week; a price increase of \$2.40 per ckg from the previous weeks' average price of \$184.78 per ckg. The Canadian dollar was lower relative to the U.S. dollar last week and settled Friday at 74.15 cents, a price decline of 0.69 cents from 74.84 cents the previous Friday.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending February 18, 2023, were estimated at 2.505 million head, a 0.8 per cent increase from the previous week's estimate of 2.486 million head, and up 0.9 per cent from 2.482 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.532 million head, up 1.7 per cent from 2.490 million head over the same period a year ago. U.S hog slaughter numbers over the last eight weeks averaged 2.486 million head, up 2.1 per cent from 2.434 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending February 18, 2023, was estimated at 543.9 million lb., up 0.5 per cent from 541.3 million lb. the previous week, and up 0.5 per cent from 541.4 million lb. the same week a year ago. Pork production over the last four weeks ending February 18, 2023, was estimated to average 549.9 million lb., up 1.1 per cent from 544.2 million lb. over the same period a year ago. Pork production over the last eight weeks ending February 18, 2023, averaged 541.5 million lb., up 1.7 per cent from 532.3 million lb. the same period a year ago.

U.S. beef production for the week ending February 18, 2023, was estimated at 517.5 million lb., down 0.4 per cent from 519.7 million lb. the previous week, and down 8.1 per cent from 562.9 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the last four weeks ending February 11, 2023, were estimated to average 2.248 billion lb., up 0.3 percent from 2.242 billion lb. over the same four weeks a year ago. Based on the weekly production numbers U.S. meat production over the first six weeks of 2023, was 0.6 per cent higher compared to the same six-weeks a year ago. Pork has had the biggest increase over the first six weeks of 2023, increasing 2.0 per cent compared to the same six-week period in 2022.

United States Weekly Meat Production

| (Feb.11) Four Week Average - Million Lb. | Percent Change | | | |
|--|----------------|----------------|---------------|---------------|
| | 2022 | 2023 | 4 Week | 2023 |
| Pork | 541.9 | 552.4 | 1.94% | 1.97% |
| Beef | 532.1 | 521.1 | -2.06% | -2.96% |
| Chicken | 1,049.3 | 1,060.6 | 1.08% | 1.90% |
| Turkey | 118.4 | 113.6 | -4.04% | -1.20% |
| Total | 2,241.6 | 2,247.7 | 0.271% | 0.580% |

Source: LMIC

Cutout Values

Pork cutout values for the week ending February 18, 2023, averaged US\$81.94 per cwt, a price increase of US\$1.76 per cwt or 2.2 per cent from US\$80.18 per cwt the previous week; but down 25.2 per cent from US\$109.53 per cwt from the same week a year ago. Belly prices had the biggest price gains over the week increasing 5.0 per cent to average US\$100.54 per cwt. Trimmings increased 3.7 per cent, while hams increased 1.9 per cent followed by loins at 1.2 per cent.

Choice beef cutout prices (600-900 lb.) for the week ending February 18, 2023, averaged US\$275.65 per cwt over the week, a price increase of US\$7.76 per cwt or 2.9 per cent from US\$267.89 per cwt from the previous week. Current beef cutout values are 2.1 per cent higher than the same week a year ago when they averaged US\$269.88 per cwt.

Average chicken cutout values (breast) for the week ending February 18, 2023, averaged US\$126.70 per cwt, a price increase of US\$5.56 per cwt or 4.6 per cent from US\$121.14 per cwt from the previous week.

USDA World Agricultural Supply and Demand Estimates (WASDE)

On February 8, the USDA released the February World Agricultural Supply and Demand Estimates (WASDE). U.S. February estimates for the 2022 meat production year were slightly reduced from the January estimates but will still be higher in 2022 compared to 2021. Beef and broilers had small production declines from the January estimates, while pork and turkey were almost unchanged.

U.S. meat production for 2022 was estimated to increase 0.6 per cent from 2021. Broilers had the biggest estimated increase in 2022 from 2021 with a 2.9 per cent increase in production followed by beef which was estimated to increase 1.2 per cent. Pork production was estimated to decline 2.5 per cent in 2022 from 2021, while turkey was estimated to decline 6.0 per cent.

USDA February World Agricultural Supply and Demand Estimates

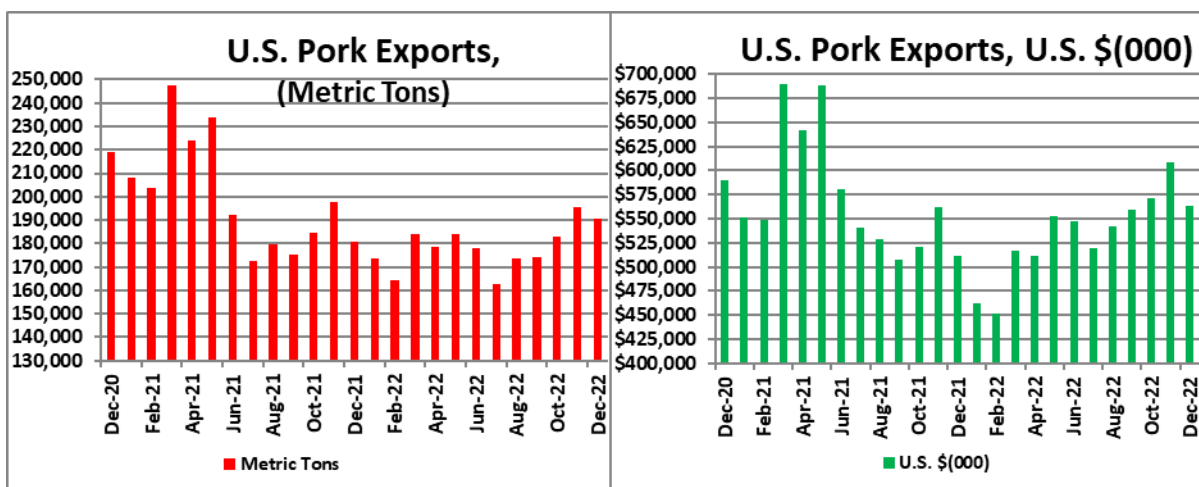
| Year | Quarter | Million Pounds | | | | Total Red Meat & Poultry |
|--------|--------------------|----------------|--------|---------|--------|--------------------------|
| | | Beef | Pork | Broiler | Turkey | |
| 2020 | Annual | 27,174 | 28,303 | 44,583 | 5,743 | 106,556 |
| 2021 | Annual | 27,948 | 27,675 | 44,899 | 5,558 | 106,810 |
| % Chg. | Chg. 2020 to 2021 | 2.85% | -2.22% | 0.71% | -3.22% | 0.24% |
| 2022 | Jan. Est. | 28,302 | 26,996 | 46,245 | 5,223 | 107,509 |
| 2022 | Feb. Est. | 28,290 | 26,995 | 46,201 | 5,222 | 107,462 |
| % Chg. | Est. 2021 to 2022 | 1.22% | -2.46% | 2.90% | -6.05% | 0.61% |
| 2023 | Jan. proj. | 26,445 | 27,480 | 46,900 | 5,560 | 107,093 |
| 2023 | Feb. proj. | 26,495 | 27,435 | 46,700 | 5,560 | 106,904 |
| 2022 | Chg. Jan. to Feb. | 0.19% | -0.16% | -0.43% | 0.00% | -0.18% |
| % Chg. | Proj. 2022 to 2023 | -6.34% | 1.63% | 1.08% | 6.47% | -0.52% |

Source: USDA February 8, 2023

U.S. meat production for 2023 is projected to have a decline of 0.5 per cent from 2022. The production decline was increased slightly (-0.18 per cent) in the February projections from the January projections as broiler production was forecasted lower (-0.43 per cent) along with pork (-0.16 per cent). Beef production for 2023 is forecasted to have the biggest annual production decline (-6.3 per cent), while production increases are projected for pork (+1.6 per cent), broilers (1.1 per cent), and turkeys (+6.5 per cent). (Source: USDA WASDE). Pork production projections in the February report was slightly lowered from the January projections on expectations of smaller carcass weights.

United States Pork Exports

United States pork exports in December 2022, were 190,662 metric tons and valued at \$562.9 million dollars. United States pork exports in December 2022 were 2.6 per cent lower by volume and 7.5 per cent lower by dollar sales from November 2022. However, United States pork exports in December 2022 were 5.5 per cent higher by volume and 9.9 per cent higher by sales value compared to December 2021.



Source: USDA, USMEF

Source: USDA, USMEF

U.S. pork exports by volume in December 2022 were the highest to Mexico at 78,404 metric tons (41.1 per cent), followed by Japan at 23,959 metric tons (12.6 per cent), and China at 20,024 metric tons (10.5 per cent). Canada was fourth by volume at 15,746 metric tons (8.3 per cent), followed by South Korea at 13,583 metric tons (7.1 per cent).

By dollar amount, U.S. pork exports in December 2022 were \$562.9 million dollars. U.S. pork exports by dollar value for December 2022 were the highest to Mexico at \$175.3 million dollars (31.1 per cent), Japan at \$98.4 million dollars (17.5 per cent) and Canada at \$68.7 million dollars (12.2 per cent). China was the fourth largest pork importer from the U.S. by dollar sales in December at \$53.8 million dollars (9.6 per cent).

Total U.S. pork exports by volume in 2022 were 2.141 million metric tons, down 10.8 per cent from 2021. Mexico was the largest purchaser of U.S. pork by volume at 843,456 metric tons, making up 39.9 per cent of U.S. total exports. Japan was second at 345,212 metric tons (16.1 per cent).

Total U.S. pork exports by dollar sales in 2022 was \$6.404 billion dollars, down 6.8 per cent from 2021. U.S.'s top pork export market by sales value in 2022 was also Mexico at \$1.817 billion (28.4 per cent) followed by Japan at \$1.440 billion dollars (22.5 per cent), and Canada at \$832.3 million (13.0 per cent).

U.S. pork exports to Mexico have become larger and more important in 2022, compared to 2021, as some other markets were lower from the previous year.

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