

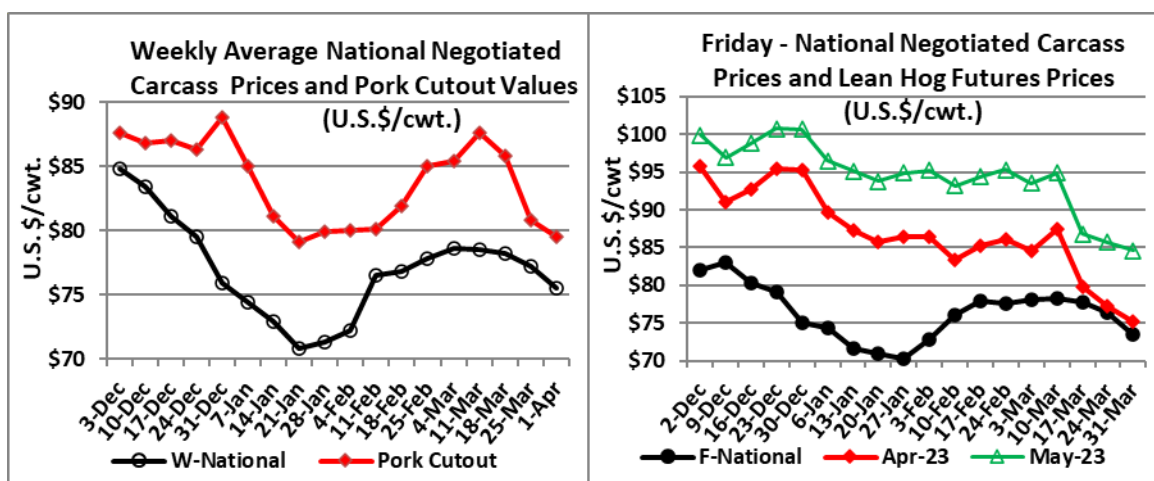
*This information is provided as a resource by Saskatchewan Agriculture staff.
All prices are in Canadian dollars unless otherwise noted.
 Please use this information at your own risk.*

Bi-Weekly Hog Report

April 3, 2023

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) were steady early in the week before moving lower into Friday with prices ending lower, week-over-week. Cash hog prices on Friday March 31st averaged US\$73.47 per cwt, a price decline of US\$2.97 per cwt or 3.9 per cent from US\$76.44 per cwt the previous Friday. The negotiated weekly average National base price averaged US\$75.56 per cwt last week, a price decline of US\$2.19 per cwt from US\$77.25 per cwt the previous week.



Source: LMIC

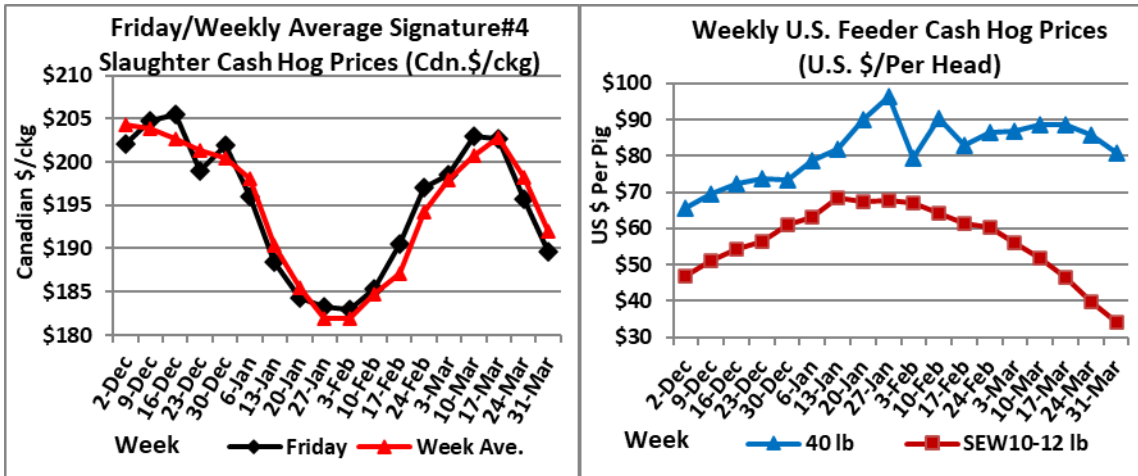
Source: LMIC, CME

Futures Markets

United States lean hog futures prices continued to trend lower for the nearby contracts while the summer and fall contracts managed some small price gains last week. The nearby April 2023 lean hog futures contract declined US\$1.925 per cwt or 2.5 per cent from the previous Friday's close while the May 2023 contract declined US\$1.050 per cwt to settle Friday at US\$84.625 per cwt. The July 2023 contract saw a small price gain of US\$0.450 per cwt while the August contract increased US\$0.900 per cwt to settle Friday at US\$94.425 per cwt.

Cash Feeder Hog Prices

North American (Iowa) iso-wean (10-12lb) cash hog prices and feeder (40lb) prices were significantly lower last week. Weighted average cash prices for U.S. based iso-weans (12lb) were US\$34.29 per head last week, a significant price decline of US\$5.35 per pig or 13.5 per cent from US\$39.64 per head the previous week. Feeder (40lb) cash prices averaged US\$80.97 per head last week, a noticeable price decline of US\$4.92 per head or 5.7 per cent from US\$85.89 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 March 31, 2023, was \$189.56 per ckg, a price decline of \$6.19 per ckg from \$195.75 per ckg from the previous Friday. The Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged \$192.07 per ckg last week; a price decline of \$6.10 per ckg or 3.1 per cent from the previous weeks’ average price of \$198.17 per ckg. The Canadian dollar relative to the U.S. dollar increased 1.23 cents last week settling Friday at 73.89 cents, up from 72.66 cents the previous Friday.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending April 1, 2023, were estimated at 2.497 million head, a 1.6 per cent increase from the previous week’s estimate of 2.457 million head, and a 2.4 per cent increase from 2.439 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.488 million head, up 2.1 per cent from 2.437 million head over the same period a year ago. U.S hog slaughter numbers over the last eight weeks averaged 2.475 million head, up 0.75 per cent from 2.457 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending April 1, 2023, was estimated at 542.0 million lb., up 1.8 per cent from 532.5 million lb. the previous week, and up 1.5 per cent from 534.2 million lb. the same week a year ago. Pork production over the last four weeks ending April 1, 2023, was estimated to average 540.1 million lb., up 1.4 per cent from 532.5 million lb. over the same period a year ago. Pork production over the last eight weeks ending April 1, 2023, averaged 536.5 million lb., up slightly from 536.3 million lb. the same period a year ago.

U.S. beef production for the week ending April 1, 2023, was estimated at 535.0 million lb., up 3.8 per cent from 515.3 million lb. the previous week, and up 0.8 per cent from 530.7 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the last four weeks ending March 25, 2023, were estimated to average 2.224 billion lb., down 0.9 percent from 2.244 billion lb. over the same four weeks a year ago. Based on the weekly production numbers U.S. meat production over the first twelve-weeks of 2023, was only 0.5 per cent lower compared to the same twelve-weeks a year ago. Pork production over the first twelve-weeks in 2023 was 1.0 per cent higher compared to the same twelve-week period in 2022. However, U.S. beef production for the first twelve-weeks in 2023 was 4.4 per cent lower compared to the same period in 2022.

United States Weekly Meat Production

(Mar.25) Four Week Average - Million Lb.	Percent Change			
	2022	2023	4 Week	YTD 2023
Pork	530.6	541.5	2.06%	1.01%
Beef	540.8	516.2	-4.55%	-4.41%
Chicken	1,039.9	1,045.7	0.56%	1.30%
Turkey	132.3	120.4	-9.03%	-5.50%
Total	2,243.6	2,223.8	-0.882%	-0.522%

Source: LMIC

Cutout Values

Pork cutout values for the week ending April 1, 2023, averaged US\$79.51 per cwt, a price decline of US\$1.38 per cwt or 1.7 per cent from US\$80.87 per cwt the previous week; and down 24.5 per cent from US\$105.28 per cwt from the same week a year ago. Loin prices had the biggest losses over the week with prices declining US\$2.39 per cwt or 2.9 per cent to average US\$80.84 per cwt. Belly prices were higher with price gains of 1.3 per cent to average US\$86.27 per cwt, but still 54.5 per cent below prices of US\$189.41 per cwt the same week a year ago.

Choice beef cutout prices (600-900 lb.) for the week ending April 1, 2023, averaged US\$280.51 per cwt over the week, a slight price decline of 0.2 per cent from US\$280.98 per cwt from the previous week. Current beef cutout values are 5.4 per cent higher than the same week a year ago when they averaged US\$266.19 per cwt.

Average chicken cutout values (breast) for the week ending April 1, 2023, averaged US\$134.55 per cwt, a price decline of US\$5.20 per cwt or 3.7 per cent from US\$139.75 per cwt from the previous week.

USDA March Quarterly Hogs and Pigs Report

USDA released the March *Hogs and Pigs Report* on March 30, 2023. Total U.S. hog inventory numbers as of March 1, 2023, were estimated at 72.860 million head, up slightly (+0.24 per cent) from 72.689 million head on March 1, 2022, but down 2.1 per cent from 74.399 million head as of December 1, 2022.

Breeding herd inventory numbers in the United States as of March 1, 2023, were estimated at 6.127 million head, up 0.5 per cent from 6.098 million head on March 1, 2022, but down 0.3 per cent from 6.144 million head on December 1, 2022. Breeding herd numbers in the USDA March report were slightly higher than the average trade analyst estimates, which were projected slightly lower at 6.1 million head.

United States Hog Inventory Numbers, (1,000 head)

	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Dec.-Mar.	Y/Y(Mar.)
All Hogs & Pigs	72,689	72,314	74,125	74,399	72,860	-2.07%	0.24%
Kept for breeding	6,098	6,168	6,152	6,144	6,127	-0.28%	0.48%
Market	66,591	66,146	67,973	68,256	66,734	-2.23%	0.21%
Market Hogs							
Under 50 lbs	20,105	20,903	21,893	21,453	20,059	-6.50%	-0.23%
50-119 lbs	19,030	18,691	19,677	18,970	18,975	0.03%	-0.29%
120-179 lbs	14,988	13,827	14,013	14,805	14,973	1.13%	-0.10%
180 lbs & Over	12,468	12,725	12,390	13,028	12,727	-2.31%	2.08%

Source: March 30, 2023 USDA Hogs & Pigs Report

Note: numbers in red indicate downward revision; numbers in green upward revision since previous report.

Market herd inventory numbers in the United States as of March 1, 2023, were estimated at 66.734 million head, up slightly from 66.591 million head on March 1, 2022, but down 2.2 per cent from 68.256 million head on December 1, 2022. Pigs under 50 lbs. had the largest inventory decline (-6.5 per cent) while pigs in 120-179lb range had the largest inventory increase (+1.1 per cent) from December 2022.

Trade analysts were estimating (year/year) market inventory numbers to decline to 66.6 million head, which was a smaller increase than the actual reported numbers by USDA. USDA did revise both the June and September market inventory numbers higher with June's numbers overall up 0.65 per cent and September's market inventory numbers up 1.93 per cent. The highest market inventory increase for September 2022 was the under 50lb. category (+2.58 per cent), while the highest inventory increase for the December 2022 month was a large increase (+5.05 per cent) in the 120-179 lb. category.

United States, Sows Farrowing and Intentions, Pigs Born

Quarterly Sows Farrowing and Intentions				Quarterly Pigs Born			
Thousand Head				Thousand Head			
Quarter	2021	2022	2023	2020	2021	2022	2023
Dec - Feb (1)	2,929	2,919	2,910	35,016	32,059	31,947	32,058
Mar - May	3,034	2,967	2,930 (2)	34,621	33,233	32,635	
June - Aug	3,050	3,062	2,973 (2)	36,056	33,944	34,096	
Sept - Nov	3,049	3,052		34,987	34,123	34,231	
TOTAL	12,062	12,000		140,680	133,359	132,909	

(1) December preceeding year.(2023)

(2) Farrowing Intentions. (2023)

Source: USDA Hogs and Pigs Report, March 30, 2023.

Sow farrowing numbers for the December-to-February 2023, period totaled 2.910 million head, a 0.3 per cent decline from 2.919 million head farrowed the same quarter a year ago (2022). The USDA farrowing estimates in December 2022 were initially estimating a 1.3 per cent increase which turned into a small 0.30 per cent increase in the March report, while the trade analysts estimated a small decline (-0.20 per cent).

USDA reported farrowing intentions for the March-to-May 2023 period estimated at 2.930 million head, a 1.2 per cent decline from the same quarter a year ago, and a 1.7 per cent decline from the December 2022 Hogs and Pigs Report. Trade analysts were projecting the March-to-May 2023 farrowing numbers to be up slightly from the same quarter a year ago with 2.970 million head, about 1.4 per cent above the 2.930 million head estimated by USDA.

USDA farrowing intentions for the June-to-August 2023 period were estimated to decline 2.9 per cent (y/y) to 2.973 million sows, which was 1.4 per cent below the trade analysts which were projecting farrowing intentions to slightly increase (by 0.1 per cent).

USDA estimated the December-to-February 2023 pig crop at 32.058 million head, a small increase of 0.35 per cent from the same quarter in 2022. Trade analysts had estimated a slightly larger increase of 0.5 per cent in the pig crop for the period.

Pigs saved per litter in the December-to-February 2023 quarter was estimated to slightly increase to 11.02 pigs, from the same quarter a year ago. Pigs per liter have not increased over the last few quarters as much as in previous years.

The *USDA Hogs and Pigs Report* numbers were mixed but overall close to the trade analyst estimates. Breeding inventory numbers and market inventory numbers were higher than trade analyst estimates, while farrowing numbers and intentions were lower than trade estimates. Market Inventory numbers for September and December were revised overall higher, while March 2023 market inventory numbers were down 2.2 per cent from December 2022, but higher than average trade estimates.

High feed prices and some uncertainty about future demand with a potential recession will likely keep any hog expansion to a minimum. Lower market inventory numbers in the light-weight pigs along with lower farrowing intentions in the coming quarters should keep growth to a minimal if any, and signal that growth over the year may be less than earlier projected.

For more information, contact:

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