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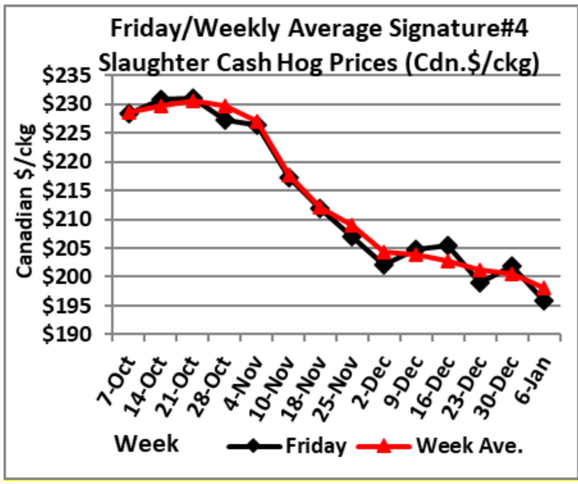
Bi-Weekly Hog Report

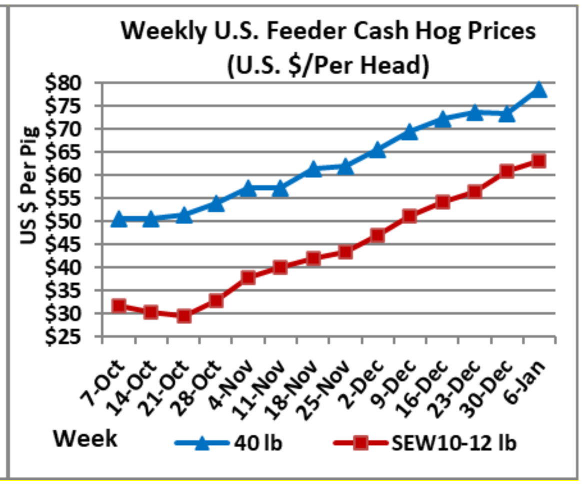
January 9, 2023

Cash Slaughter Weight Hog Prices

United States daily average slaughter weight cash hog prices (National Negotiated) edged lower last week from the previous week with last Friday's daily price below the previous Friday. Cash hog prices on Friday January 6th averaged US$74.40 per cwt, a price decline of US$0.55 per cwt from US$74.95 per cwt the previous Friday. The negotiated weekly average National base price averaged US$74.10 per cwt last week, a price decline of US$1.80 per cwt or 2.4 per cent from US$75.90 per cwt the previous week.



Source: LMIC



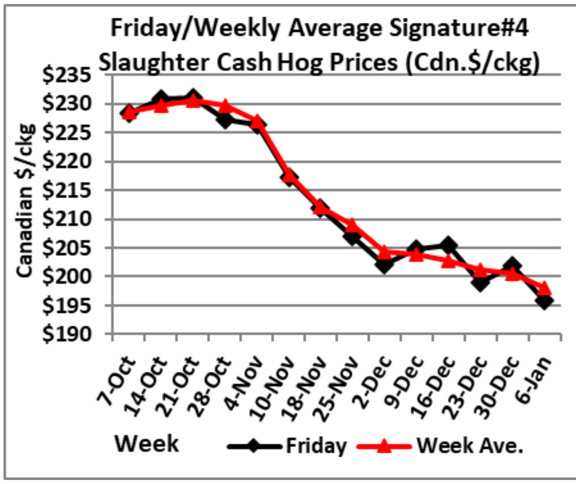
Source: LMIC, CME

Futures Markets

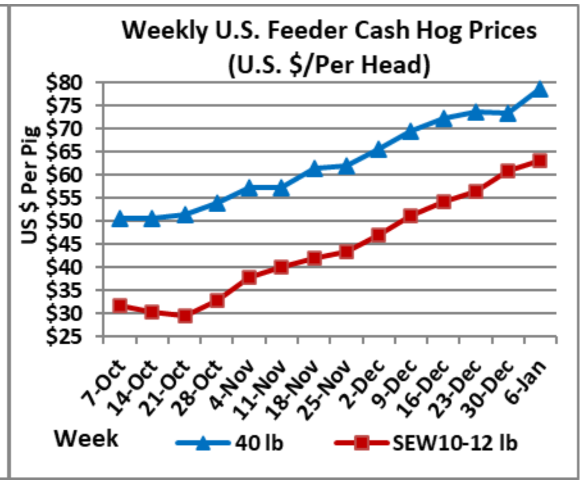
United States lean hog futures daily prices were lower last week with biggest price declines in the nearby contracts, particularly the February 2023 contract. The nearby February 2023 lean hog futures contract settled Friday at US$80.275 per cwt, a price decline of US$7.425 per cwt or 8.5 per cent from the previous Friday's close of US$87.700 per cwt. The April 2023 contract declined US$5.65 per cwt or 5.9 per cent last week to settle Friday at US$89.650 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$63.20 per head last week, a price increase of US$2.36 per pig or 3.9 per cent from US$60.84 per head the previous week. Feeder (40lb) cash prices averaged US$78.56 per head last week, a price increase of US$5.20 per head or 7.1 per cent from US$73.36 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 6, 2022, was $195.96 per ckg, a price decline of $5.91 per ckg or 2.9 per cent from $201.87 per ckg from the previous Friday. The Signature#4 (Maple Leaf) Index 100 weekly price (Friday to Thursday) averaged $198.13 per ckg last week; a price decline of $2.36 per ckg or 1.2 per cent from the previous weeks' average price of $200.49 per ckg. The Canadian dollar was higher relative to the U.S. dollar last week. The Canadian dollar settled Friday at 74.15 cents, a price increase of 0.43 cents from 73.72 cents the previous Friday.

United States Hogs Slaughtered

U.S. hogs slaughtered under federal inspection for the week ending January 7, 2023, were estimated at 2.296 million head, a 4.6 per cent increase from the previous week's estimate of 2.194 million head, but down 10.0 per cent from 2.552 million head the same week a year ago. Weekly U.S. hog slaughter numbers over the last four weeks averaged 2.213 million head, down 4.7 per cent from 2.322 million head over the same period a year ago. U.S hog slaughter numbers over the last eight weeks averaged 2.353 million head, down 3.0 per cent from 2.426 million head over the same period a year ago.

Meat Production

U.S. pork production for the week ending January 7, 2022, was estimated at 495.9 million lb., up 4.3 per cent from 475.5 million lb. the previous week, but down 11.4 per cent from 559.7 million lb. the same week a year ago. Pork production over the last four weeks ending January 7, 2023, was estimated to average 478.3 million lb., down 5.3 per cent from 505.3 million lb. over the same period a year ago. Pork production over the last eight weeks ending January 7, 2023, averaged 508.5 million lb., down 3.6 per cent from 527.6 million lb. the same period a year ago.

U.S. beef production for the week ending January 7, 2023, was estimated at 468.3 million lb., up 2.7 per cent from 456.1 million lb. the previous week, but down 10.2 per cent from 521.3 million lb. the same week a year ago.

Combined production of U.S. beef, pork, chicken, and turkey over the four weeks ending December 31, 2022, were estimated to average 2.131 billion lb., up 3.2 percent from 2.066 billion lb. over the same four weeks a year ago. Based on the unadjusted weekly production numbers U.S. meat production over the last 52-weeks in 2022 was 1.2 per cent higher compared to the same period in 2021. Pork production over the last four weeks was 2.3 per cent lower compared to the same period a year ago, while pork production for 2022 was down about 2.2 per cent.

United States Weekly Meat Production

(Dec.31) Four Week Average - Million Lb.			Percent Change	
	2021	**2022**	4 Week	2022
Pork	505.7	494.0	-2.32%	-2.16%
Beef	490.5	493.1	0.53%	1.53%
Chicken	963.6	1,044.3	8.38%	3.42%
Turkey	106.0	100.0	-5.66%	-4.20%
Total	**2,065.8**	**2,131.3**	**3.173%**	**1.214%**

Source: LMIC

U.S. beef production for 2022 was estimated to increase about 1.5 per cent, while chicken production was 3.4 per cent higher. Turkey had the biggest declines by per cent in 2022, declining about 4.2 per cent from 2021.

Cutout Values

Pork cutout values for the week ending January 7, 2023, averaged US$85.04 per cwt, a price decline of US$3.80 per cwt or 4.3 per cent from US$88.84 per cwt the previous week; but down only 1.8 per cent from US$86.57 per cwt from the same week a year ago. Belly prices had the biggest losses over the week declining 8.3 per cent to average US$91.21 per cwt, while ham prices moved noticeably lower declining 6.8 per cent to average US$80.78 per cwt. Loin prices had a small 1.3 per cent gain to average US$84.23 per cwt, while trimmings increased 6.0 per cent to average US$84.16 per cwt.

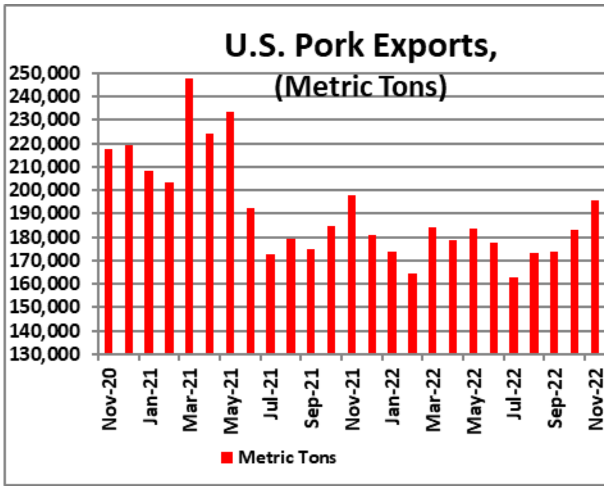
Choice beef cutout prices (600-900 lb.) for the week ending January 7, 2023, averaged US$283.62 per cwt over the week, a price increase of US$3.55 per cwt or 1.3 per cent from US$280.07 per cwt from the previous week. Current beef cutout values are 5.8 per cent higher than the same week a year ago when they averaged US$268.03 per cwt.

Average chicken cutout values (breast) for the week ending January 7, 2023, averaged US$97.99 per cwt, a small price decline of US$0.63 per cwt or 0.6 per cent from US$98.62 per cwt from the previous week.

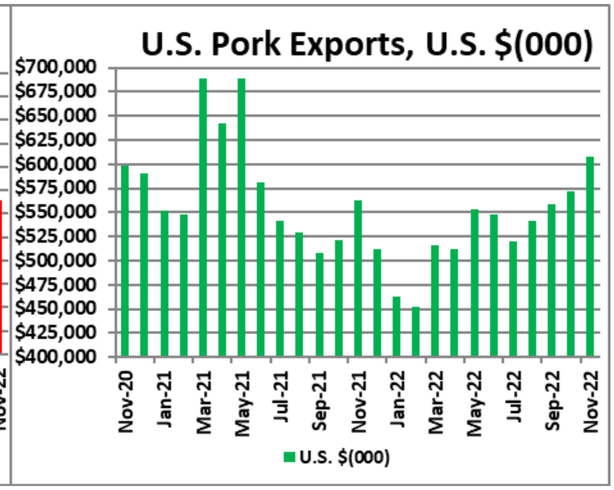
United States Pork Exports

United States pork exports in November 2022 were higher by volume and higher by dollar sales from October 2022. United States pork exports in November 2022 were 20 per cent higher from the July 2022 lows and the highest month by volume year-to-date for 2022. Likewise, November pork exports were 34.6 per cent higher from the February 2022 lows and the highest month by sales value year-to-date for 2022.

United States exported 195,661 metric tons of pork in November 2022, up 7.0 per cent from 182,927 metric tons in October 2022, but 1.0 per cent lower from November 2021.



Source: USDA, USMEF



Source: USDA, USMEF

U.S. pork exports by volume in November 2022 were the highest to Mexico at 76,951 metric tons (39.3 per cent), followed by Japan at 26,437 metric tons (13.5 per cent), and China at 20,041 metric tons (10.2 per cent). Canada was fourth by volume at 19,301 metric tons (9.9 per cent), followed by South Korea at 14,186 metric tons (7.2 per cent).

By dollar amount, U.S. pork exports in November 2022 were $606.2 million dollars, a 6.5 per cent increase from October 2022, and 8.3 per cent higher from November a year ago. U.S. pork exports by dollar value for November 2022 were the highest to Mexico at $188.9 million dollars (31.1 per cent), Japan at $108.2 million dollars (17.8 per cent) and Canada at $83.3 million dollars (13.7 per cent). China was the fourth largest pork importer from the U.S. by dollar sales in November at $56.8 million dollars (9.3 per cent), which was almost 68 per cent higher than in November 2021.

U.S. pork exports to Mexico have overall increased from the previous month and are higher year-to-date; while exports to Japan were down from the previous month and are lower year-to-date. Pork exports to China have made some gains over the last few months and are higher than a year ago in both volume and dollar sales value.

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