

Processor Hog Pricing For the Week Ending Friday October 4th 2013

On Monday September 30th the U.S. Government shut down their non – essential services which include the USDA office that reports both pork and hog prices. The USDA Market News has been impacted by the shutdown resulting in pricing information relevant to the calculation of base prices not being available to Maple Leaf, Hylife and Thunder Creek.

As such, the Processors have had to come up with alternative pricings methods until the U.S. situation is resolved and non-essential services are restored.

For the week ending Friday October 4th 2013, hogs sold to Maple Leaf will be priced as follows:

1. Friday Sept 27 USDA prices are available for animals delivered to Maple Leaf for processing this week.
2. Monday Sept 30 USDA prices are available for animals delivered to Maple Leaf for processing this week.
3. They will use the Monday Sept 30 USDA pricing for Tuesday October 1st, Wednesday October 2nd and Thursday October 3rd prices as well, for animals delivered to Maple Leaf for processing this week.

When the shutdown ends and if USDA publishes prices for the days they were shutdown, Maple Leaf will go back and adjust the weekly pricing according to the published data.

Hogs sold to Hylife will be priced as follow:

The last US price used in the Hylife formula was reported Monday September 30th and will be used as the Tuesday, Wednesday, Thursday and Friday price in the weekly price calculation.

Hogs sold to Thunder Creek will be priced as follows:

Thunder Creeks price incorporates a week lag in their formula. As such the price they are paying this week is based on actual U.S.D.A. published prices from last week and is consistent with their normal pricing practices. Next week however poses circumstances identical to the one the other Processors faced this week. Discussions with Thunder Creek regarding this situation have taken place however no concrete strategy has been determined as of yet.

At this time we are uncertain as to how hogs sold during the week of October 7th – 11th will be priced and it may be next Thursday morning before we do know. h@ms will ensure that the hogs will be sold at fair market value and in a manner consistent with other hogs sales in Canada and the U.S. during the same time frame.

We are hopeful that the U.S. situation will be resolved quickly and that normal pricing methods can be restored. In the meantime we will be communicating all relevant information to you regarding hog price calculation as it becomes available.