



December 8, 2025

The Markets at a Glance				
	Last Yr	29-Nov-25	6-Dec-25	last wk % chg Year
CME Lean Hog Index (U.S. \$/cwt)	84	82	82	-2%
Nearby Futures (U.S. \$/cwt)	87	81	82	-6%
Third Month Hog Futures (U.S. \$/cwt)	95	85	87	-8%
Cdn Slaughter week F.I & P.I. (000)	441	453	447	1%
Cdn Slaughter latest 52 week (000)	21,233	21,799	21,805	3%
US Slaughter week F.I. (000)	2,604	2,086	2,702	4%
US Slaughter latest 52 week (000)	128,303	126,844	126,942	-1%

Canadian Market Developments

Kill and Export Review and Outlook

As 2025 closes it is of interest to tabulate hog slaughter and live exports for the year.

On the slaughter front, Canadian harvest will finished 2025 at about 21.8 million head, nearly 3% more than last year. Last year saw kills decline about 2.5% compared to 2023.

Numbers Down in BC

The increase in 2025 slaughter for Canada came despite decreased kills in both BC and Alberta. It looks like Donald's Britco plant in Langley has seen slaughter reductions of at least 3% this year versus last.

Alberta is the source of just over half the hogs slaughtered in BC's federally and provincially inspected plants. This year the numbers coming from Alberta will likely amount to about 168-174,000 head, down about 10% from 2024. This year, Alberta's share of the BC kill was 50-54%, in 2022 the share was nearly two thirds.

Despite fewer hogs leaving Alberta for BC, Alberta's total slaughter is down about 2%. The main reason for the decline is the loss of the Sunterra plant in Trochu. That plant was lost to fire about mid-2024. It probably killed in the 2,500-3,000 per week and may have harvested at least 50,000 hogs last year prior to the fire. That would account for nearly all the difference in federally inspected Alberta slaughter this year versus last. That in turn implies that 2025 kills at Olymel Red Deer and Canada Packers Lethbridge were similar to last year.

Big Jump in Sask

Saskatchewan's kill was up dramatically this year. Donald's has two plants in that province; Thunder Creek and North 49, both located in Moose Jaw. Thunder Creek started killing market hogs in early 2011, it has capacity for about 1,300/day. North 49



was built as a sow plant and started to slaughter sows in late 2023. In 2025, both of Donald's Moose Jaw plants have been combining to kill about 2,000 market hogs each day. North 49 probably does about 50-70 sows a day plus the market hogs.

Donald's Britco is estimated to be killing about 40,000 less market hogs than last year and around 80,000 less market hogs than in 2023. With that said, the two Donald's Moose Jaw plants are probably killing about 135-145,000 more market hogs this year compared to last and 155-165,000 more than in 2023.

CP Increases Kills

In Manitoba, kills are up about 3%. Most of that increase is due to increased volumes at Canada Packers. HyLife daily kills have topped out over the past couple of years at about 9,100+ per day. Canada Packers on the other hand has been running consistently at 16,000 per day in recent weeks. That compares to a more typical 15,000+- in 2024. The other interesting kill to note is that year to date sow kills are up over 25% in Manitoba. There are two sow killers in the province: Jowett Farms and Winkler Meats. Winkler announced an expansion and joint venture plans with Johnsonville Sausage in mid-2023. It is likely that the expansion kicked in, at least in part, during 2025.

Eastern Canadian Gains

Moving east into Ontario, total kills at federally and provincially inspected plants in the province increased by 2%. Of that breakdown, the two federal plants of Conestoga and Sofina combined to increase by 2%. The Ontario provincially inspected plants increased by over 4%. The many provincially inspected plants, which includes the producer-owned Domingo's plant, have been killing about 9,800/week recently. That compares to about 9,400 per week for all the provincially inspected plants at the same time last year.

Finally, continuing further east, Quebec looks poised to slaughter 7+ million head in 2025, an increase of 3% compared to 2024. Prior to the Olymel rationalization, Quebec used to harvest about 8.5 million head a year. Kills dropped to the lowest level in decades last year.

Weaners Pigs Up, Slaughter Hogs Down

The other component of live marketing is exports. Last year, Canada exported 6.76 million hogs to the U.S. Of that total, about 4.9 million, 72%, were weaners and feeders (w/f) and 1.9 million, 28%, were slaughter hogs (market and cull sows). All Canadian hogs have usually made up about 5% or less of U.S. slaughter.

Prior to the Quebec Olymel rationalization, which arguably began slowly in 2021, weaners and feeders typically made up 85% of live exports. The Olymel downsizing pushed Ontario market hogs that normally went to Quebec into the U.S. As asserted here in other reports, the downsizing also resulted in increased weaners moving from Ontario to the U.S. That is why in 2025 w/f only made of 72% of the shipments

This year, based on volumes through November 22, Canada will market just over 7 million head to the United States. Of that total, slaughter hog volumes are down by 10%. The volume of cull hogs and market hogs going south are both down in the 10%+- range in 2025. The number of weaners and feeders going south in 2025, however, is up 10%. That is comprised of a 2% gain in the west and a whopping 40% gain in the east. This report has discussed the reasons behind the eastern increase many times this year. There are several reasons for the increase, not the least of which has been the exceptional U.S. price draw.

2026 Increases in Slaughter and Exports

Based on 2025 inventory reports there is likely to be an extra 350-400,000 hogs available for either slaughter or export in 2026 compared to 2025. Western sow slaughter is likely to continue to increase, particularly at Winkler. Canada Packers is also likely to continue to increase its kills, modestly. As such, Manitoba kills could increase by 2-3% in 2026. Saskatchewan could, perhaps, increase its production of both market and culls by another 10% on top of this year's huge 40+. Ontario is unlikely to see material increases in slaughter in 2026. For its part, Quebec could see an increase of about 1%. Putting it together leads to the conclusion that Canadian kill could increase by 2%, at most, in 2026.

Based on estimated hog availability combined with the estimated kills, leaves room for live exports to increase by about 1% in 2026. Nearly all the increase should be in weaners and feeders. The cull sow exports will continue to decline due to increased kills on the prairies. Market hog exports out of Ontario could increase on good demand, but it would be a modest increase.

Market Forecasts

News and Other Analysts' Opinions

- “The Barchart Trading Guide is a **Buy Signal** with an **Average** Signal Strength,” for the February contract, (Barchart.com, December 8).

- As of last week, Spain reported several cases of African Swine Fever in wild boars. Before this outbreak, Spain had been ASF-free for three decades, with the country officially declaring eradication from the Iberian Peninsula in 1995. Several international trading partners have already placed restrictions on importing Spanish pork, according to Spain's Agriculture Minister. NationalHogFarmer.com, December 4).

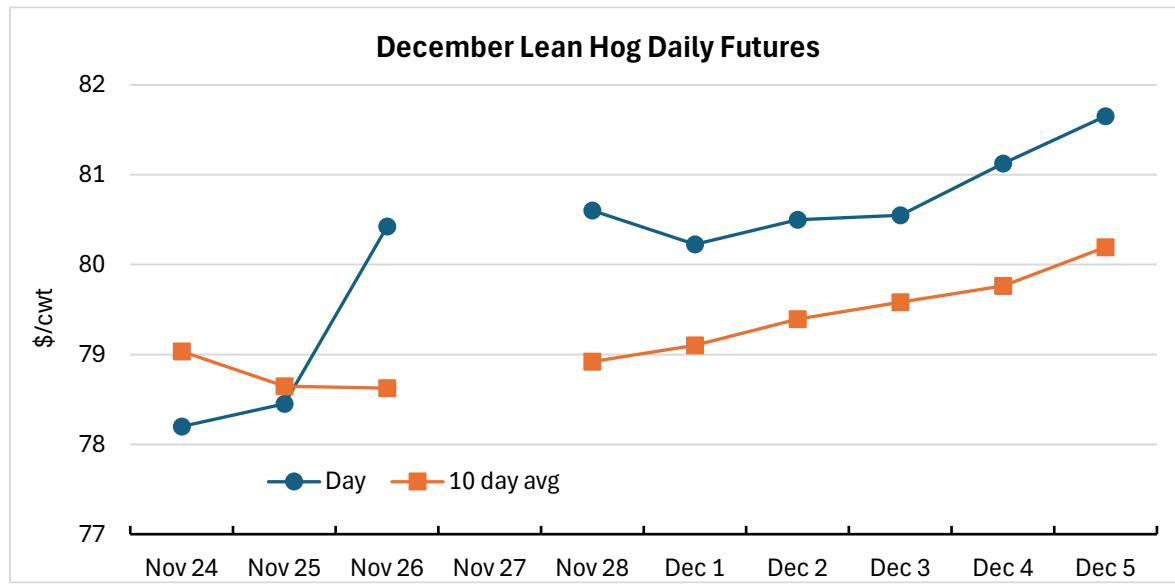
China suspended all Spanish pork imports on Nov. 28 following ASF confirmation. But under a Nov. 12 protocol, China and Spain agreed to limit trade disruptions to affected zones rather than impose blanket bans. Spain's agriculture ministry announced that China has now implemented that deal — establishing an exclusion zone around the ASF area—and has resumed pork imports from all regions outside the containment zone (ThePigSite.com, December 5)

- Bruce Ginn is forecasting a modest increase in the value of the lean hog value in 2026 compared to 2025. He looks for a 2026 dressed hog average of \$97 compared to \$95 in 2025. It was at \$98 in 2022 and a record of \$105 in the PED year of 2014. (Cattle and Pork Comments, December 5).
- The Daily Livestock Report, December 4, asserts that it is difficult to make an argument for a meaningful increase in pork supplies, and thus lower pork prices, when the breeding herd in September was at the lowest point in a decade. There is only so much growth that comes from productivity gains, and when producers mostly rely on productivity for growth, they also become more vulnerable to disease outbreaks. The DLR analysts' calculations indicate that there will be little if any year over year slaughter increase in the summer of 2026

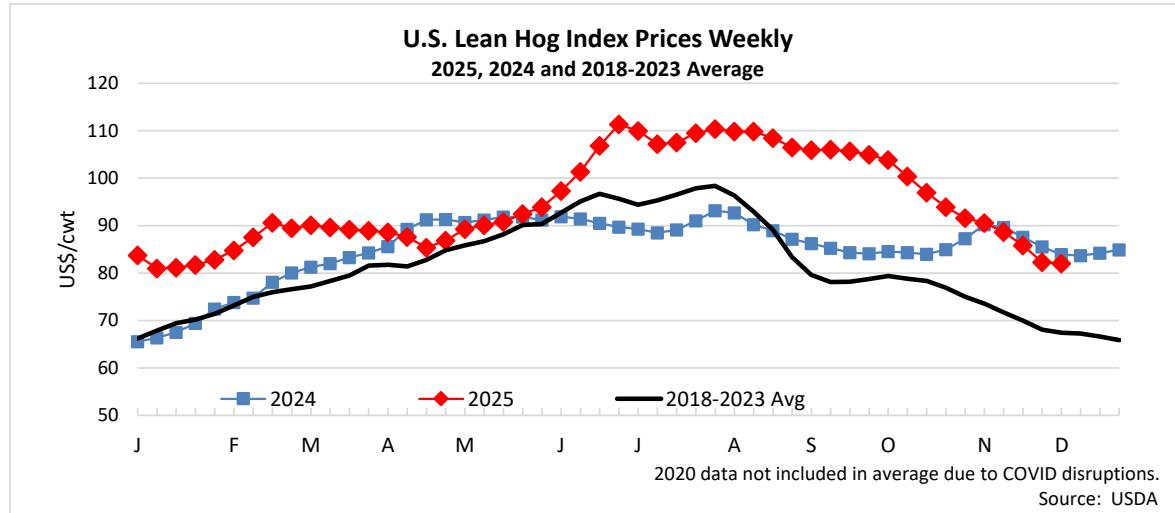


Grier Analysis

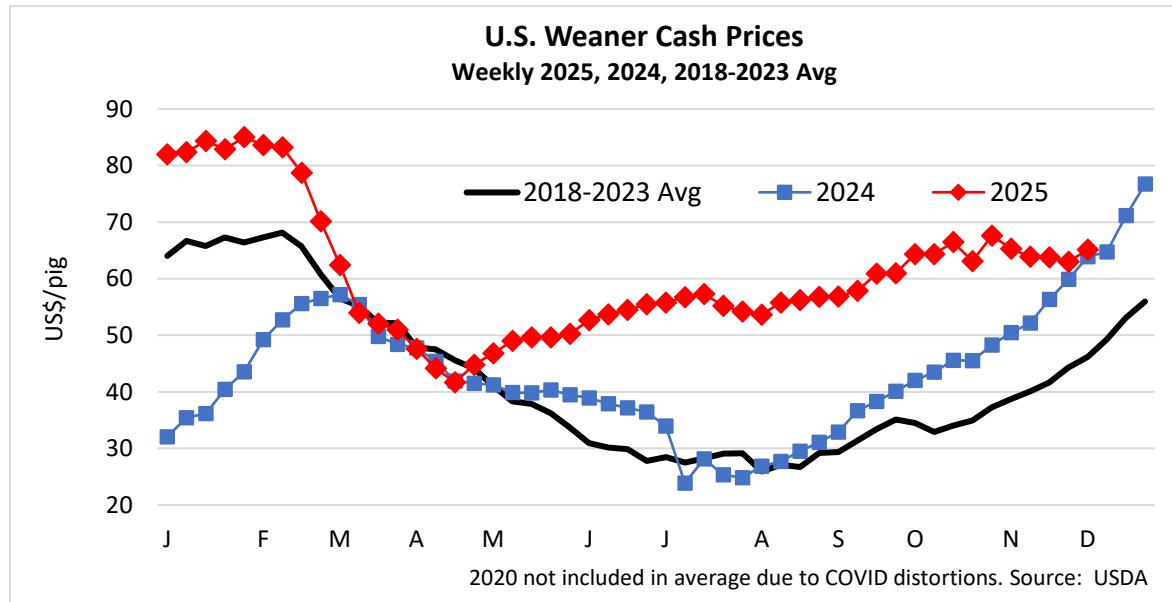
United States Market



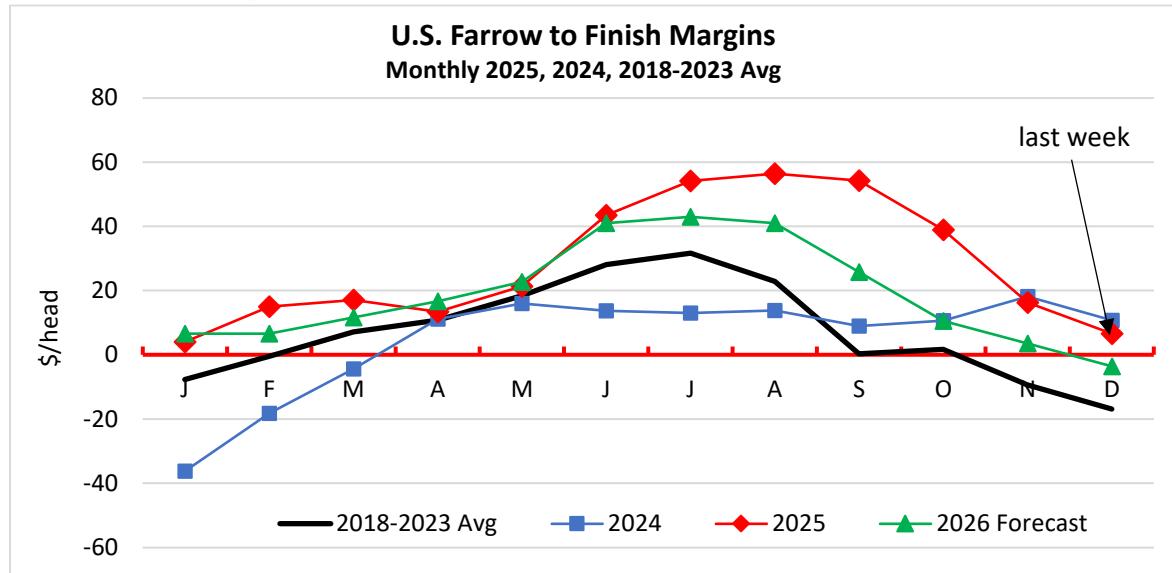
- The CME lean hog index (LHI) average last week: \$82/cwt.
 - 2-week average vs last year: -3%.
 - 2-week average vs 2018-2023 avg: +21%.



- Weaner prices average last week: \$65/head
 - 2-week average vs. last year: +3%
 - 2-week average vs. 2018-2023 average: +42%.

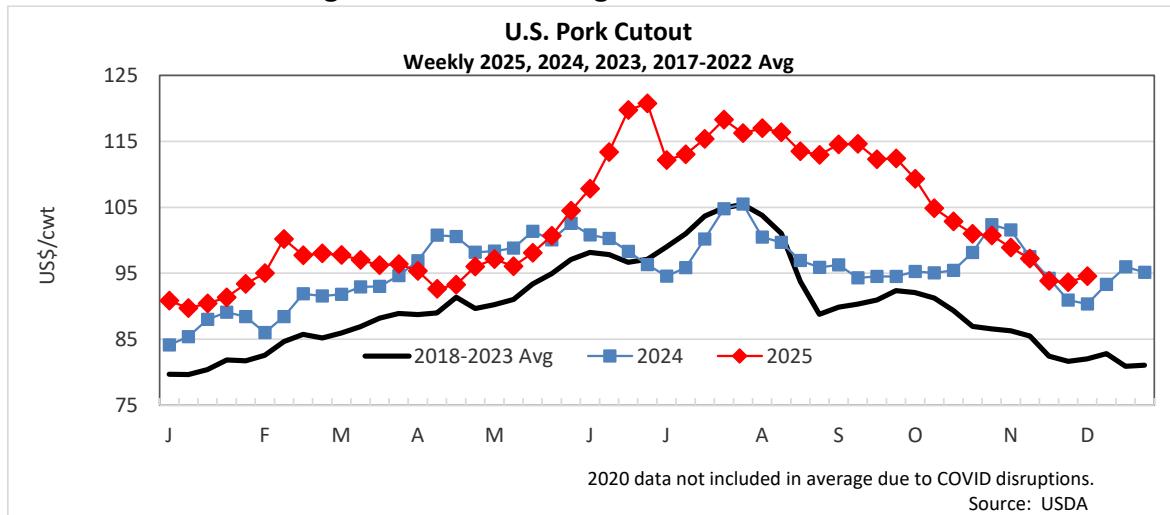


- Negotiated hog price (open market trades) two-week average vs. last year: -15%.
 - Negotiated price minus all-producer hog price spread: -\$8/cwt.
 - Negotiated price versus all-hog price spread last year: +\$3/cwt
 - Negotiated versus all-hog price spared 2018-2023 average: -\$11/cwt.
- Current Iowa farrow to finish margins: +\$14/head (Based on the Iowa State University (ISU) hog budget for farrow-to-finish operations and current LHI prices).
 - The graph below shows margins through 2026 using hog futures and estimated feed costs, based on the ISU model.



- Pork cutout average last week: \$94.55/cwt.

- Pork cutout two week average vs last year: +4%.
- Two-week average vs. 2018-2023 avg: +15%.



- U.S. analyst Rob Murphy estimates net packer margins at +\$21/head last week compared to +10 in November, +4/head in October and +\$6/head in September.
 - Last week was the stronger margin week of the year.
- Demand at the consumer level can be measured by combining retail pork prices and per capita pork availability. Both pork availability and prices can be measured through August (*latest available due to U.S. government budget dispute*).
 - Per capita disappearance: -9% vs. same month last year.
 - Consumer pork prices: +1% vs. same month last year.
 - Demand (consumption combined with price): -11% vs. last year.
 - 12 month rolling demand year over year change: -3%.
- Slaughter 2-week average: 2.4 million head (Thanksgiving), -2% vs same weeks 2024.
- Based on the Sept H&P report:
 - This week and next slaughter vs prior year: -2%.
 - January slaughter vs. prior year: -2%.
 - December H&P Report December 23.
- Since the beginning of September, the September H&P report has done a very good job of forecasting hog slaughter.
- Based on the USDA tally of recent weekly market hog sales compared to slaughter: packers have less than normal volume of inventory on hand going into this week.

U.S. Market Takeaways

- ✓ The futures market undertone has firmed.

- ✓ The LHI is declining in a normal seasonal pattern and is far greater than the 2018-2023 average.
- ✓ Weaner prices finally turned higher last week after several weeks in a counterseasonal stall. Despite the funk, they are exceptionally strong
- ✓ The spread between the negotiated hogs and the average of all hogs is weaker than last year. The negotiated market is weaker than last year. That is an indication that packer inventories have improved.
- ✓ Producer farrow to finish margins are declining as they normally do at this time of year. Margins remain solidly black at a time of year in which red ink is the norm.
- ✓ The pork cutout firmed the last two weeks. The ham and the belly are behaving a lot like last year at this time, and last year the cutout went counterseasonally higher.
- ✓ The weaker live market and stronger cutout turned packer margins sharply higher.
- ✓ Based on the September H&P report, slaughter should be falling 2% versus last year in December and January.
- ✓ Packer inventories are tighter than normal.

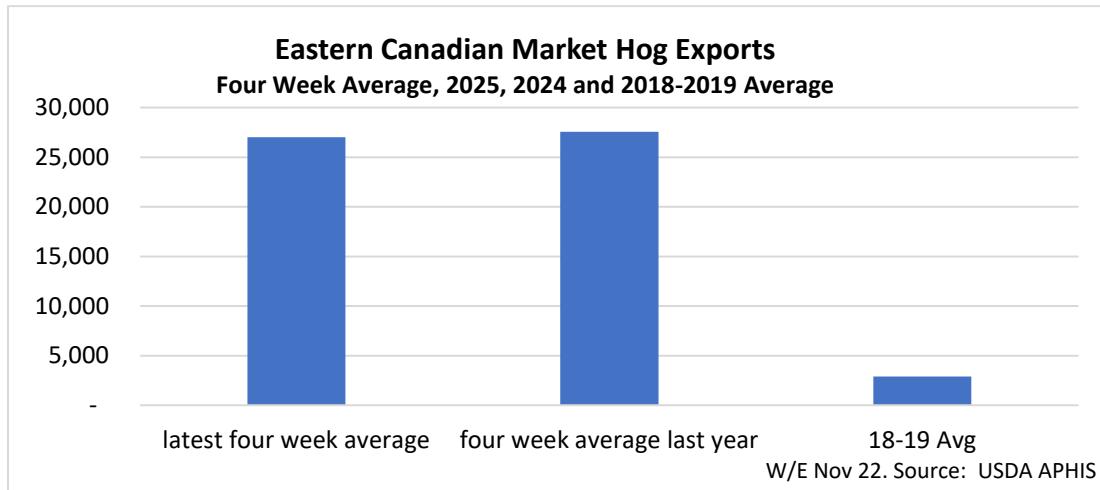
Canadian Market

- Prairie weaner producer margins two week average: \$+35/head
 - Same weeks last year: \$+35/head
 - 52-week rolling average: \$+31/head

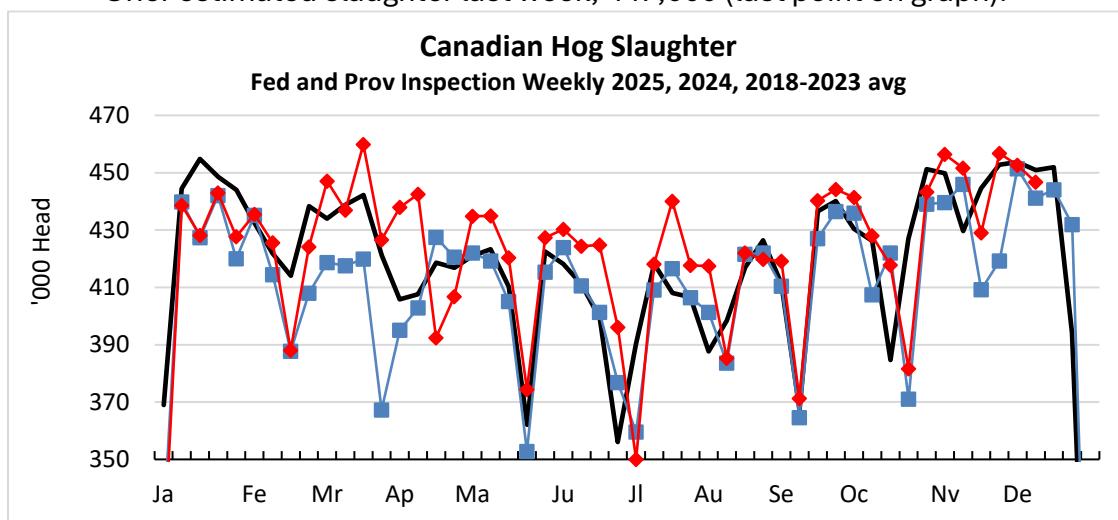
Weaner/Feeder Exports		
Port of Entry	vs. Last Year	vs. 2018-23 Avg
Michigan	115%	72%
North Dakota	6%	0%
All Ports	22%	19%

Four week average ending Nov 22 . Source USDA APHIS

- Daily numbers of Canadian market hogs purchased by U.S. packers in the 30 days ended December 24 averaged 5,200/day.
 - 5,200 daily average for same 30 days last year.
 - 4,800 per day since October 2022.

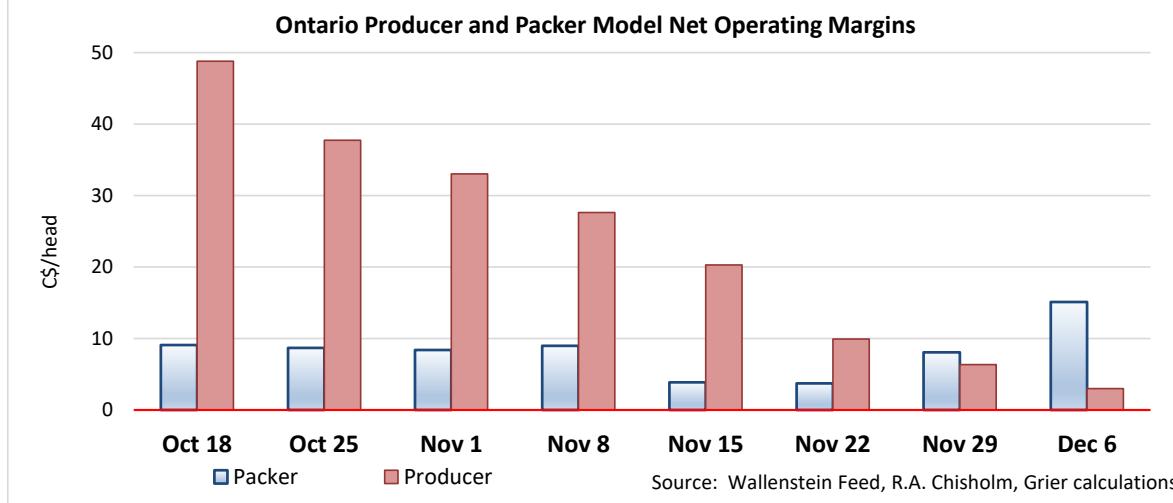
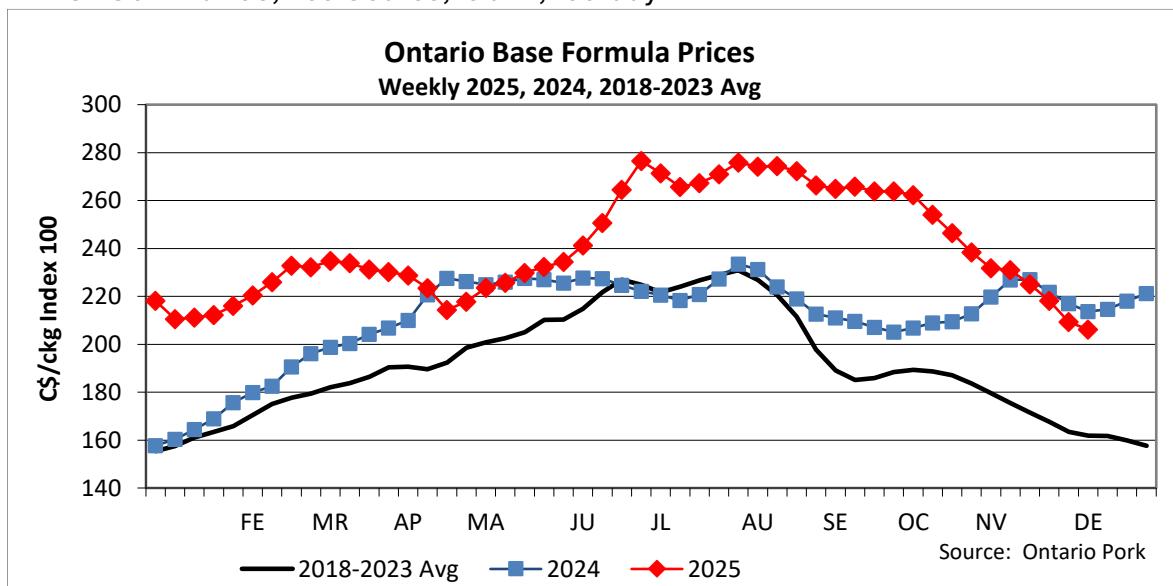


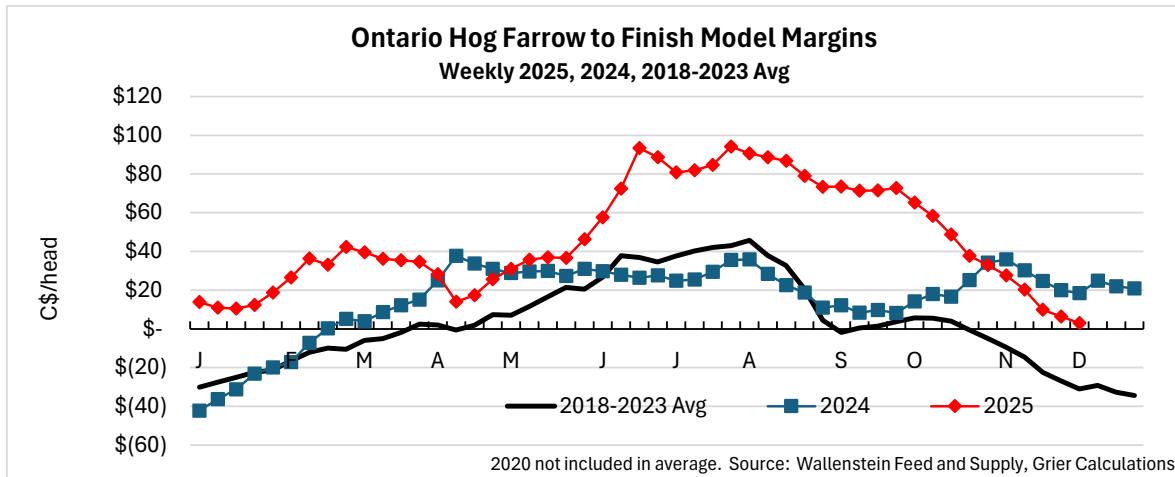
- Total federally and provincially inspected slaughter two week average ending November 29 (latest): 455,000; +4% vs 2024.
 - vs 2018-2023 average: +-0%.
 - Grier estimated slaughter last week, 447,000 (last point on graph).



- **Conestoga**, Breslau, has been harvesting about 9,100/day.
- **Sofina**, Burlington, is running at 9,200. They harvested Saturday.
- **Donald's Fine Foods'**
 - **Britco**, Langley is estimated at about 1,200/day.
 - **Thunder Creek** and the **North 49 Foods** plants in Moose Jaw are combining for about 2,000 market hogs per day. Last year at this time Moose Jaw was at 1,400.
 - **North 49 Foods** looks to be processing 70 sows/day.
- **HyLife** In Neepawa, is running the normal 9,100+/day.

- **Canada Packers**, Brandon, has been averaging about 16,000 per day. That does not count Thursday when there was a multiple hour breakdown on the kill floor.
- The CP Lethbridge plant is averaging about 1,550/day. The plant was closed for maintenance on the 24th and they ran a smaller kill on Saturday the 29th.
- **Aliments Asta**, Saint-Alexandre-de-Kamouraska, was running about 4,450, although Mondays are usually about 500 less. The killed on Saturday.
- **Olymel** Yamachiche was at 4,000/ day recently; St-Esprit and Ange-Gardien have been in the 7,000+ range.
- **Olymel**'s Red Deer plant is running about 8,000/day
- **Breton** in Rivière-du-Loup is estimated at about 3,000/day.
- **CBC0 Alliance**, Les Cedres, is at 2,100/day.





Quarterly or Monthly Forecast Review

The July 21 edition of this report was the first to have a forecast for November. At that time the forecast was for a LHI November average of \$86. The actual November average was \$87. GRADE ON THE FORECAST: "A."

Previous Two-Week Forecast

"It is the exact same situation as the last report. The LHI will still fall but again, at a slower than normal rate. **U.S. call: \$83.50/cwt.**" The actual average for the last two weeks was \$82. Prices fell as expected but harder than expected. I get extra points because I was much stronger than the futures were suggesting for December. GRADE ON THE FORECAST: "B+."

The Next Two Weeks

Packers seem to be getting more comfortable with their inventories. With that said, the cutout increased last week. In addition, margins are excellent and they will want full kills. This market could hold or just slide a little in the next two weeks. **U.S. call: \$82/cwt.**"

U.S. LEAN HOG INDEX PRICE FORECASTS AND FUTURES						
	Next 2 weeks	January	February	March	26 Q2	26 Q3
U.S. Kill vs Last Year d%	-2	-2	-2	-2	-1	1
Futures \$	82	--	82	--	92	97
Grier \$	82	85	87	89	97	100

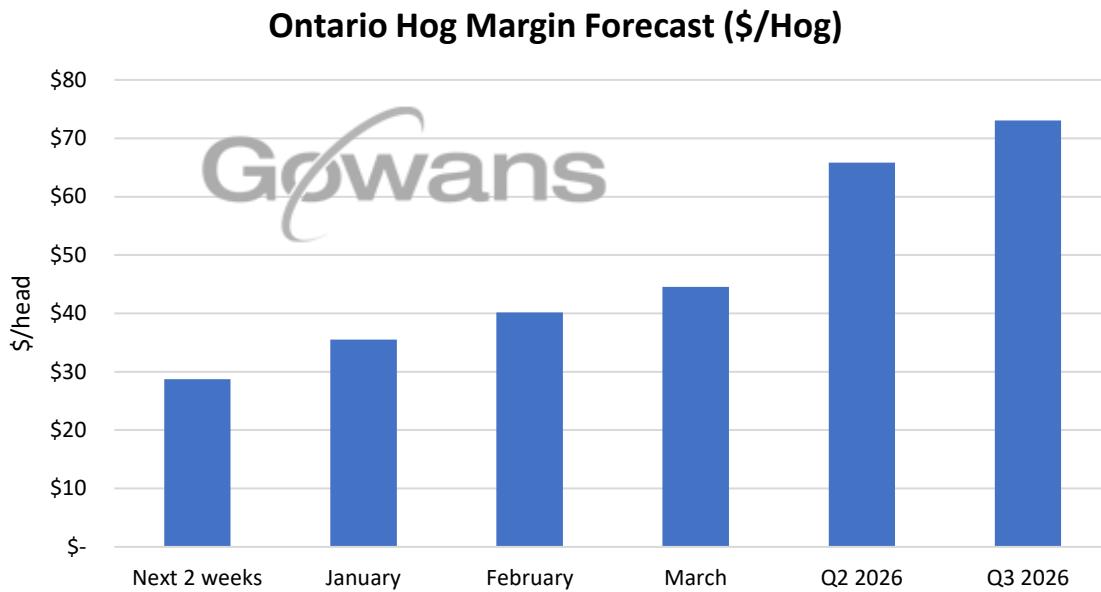
Implications/Actions

I am more bullish than the futures for 2026 and therefore I think futures will be increasing. The December 23 release of the December H&P report will provide more clarity on supplies. Demand should hold through 2026 as beef prices remain high.

Forecasted Ontario Hog Margins

The following graph shows estimated Ontario hog margins based on *Grier LHI* forecasts and Gowans feed costs projections. These results are meant to be representative of the general market scenario and aren't necessarily indicative of what will be seen on the farm level. Results will vary depending on location, diets and feed usage.

Please contact Neil Campbell if you would like to analyze your operation forward margin outlook and/or receive more information about Gowans risk management services. neil.campbell@gowans.com, 226-231-1846.



If you have any questions, comments, ideas for improvement on content, suggested topics, or if you want to talk about any market factor, please contact me at kevin@kevingrier.com, 519-240-8779.



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