

Make Informed Decisions

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Hog Movement and Adjustments in the West

So far this year, from January through mid-August, hogs finished in B.C. and slaughtered in B.C. are likely running about 100,000 head. That is down by about 10-15,000 head in total compared to last year. Alberta, however, is the source for most of B.C.'s slaughter. Alberta hog shipments into B.C. typically run between 310-320,000 per year. That compares to total B.C. kill in federal and provincially inspected plants of about 490,000 last year and 530,000 in 2020.

Alberta origin hogs slaughtered in B.C. may be running up to 180-200,000 head so far this year. That Alberta to B.C. flow this year is roughly steady to lower compared to 2021.

B.C. has a comparably robust provincially inspected hog slaughter. Last year there were about 150-160,000 hogs slaughtered in B.C. provincially inspected plants. That was the largest in the west by a wide margin and second in Canada to Ontario's 340-360,000 provincially inspected head. About 2-3 plants make up the vast majority of that B.C. provincially inspected hog slaughter.

The decline in the B.C.-based hog numbers tend to impact the provincially inspected plants most. The decline in the numbers from Alberta likely are of greater importance to the Donald's Fine Foods' Britco plant in Langley. I estimate harvest at Langley in recent weeks has been about 1,150-1,200 head per day this year compared to about 1,200-1,280 last year. Daily harvests are likely down about 50-100 head per day.

In Alberta, federally inspected slaughter is running about 1.5 to 1.6 million head. That is about 2% more than last year's levels. That rate of year-over-year increases is decreasing as it was a 5% increase as of the end of May. As I noted at that time, however, the year-over-year increase is misleading due to COVID. First quarter 2021 numbers were trimmed hard due to COVID at the Red Deer plant. As such the year-over-year increase in slaughter this year versus last is not being driven by production or procurement changes.

Movement from Alberta to Manitoba

What is interesting, however, is that the number of hogs finished in Alberta that move to Manitoba is down notably this year. Last year at this time, I estimate that about 150-170,000 hogs moved from Alberta to Manitoba. This year I reckon that number to be much less than 90,000 head. At least part of the reason for the big reduction this year versus last is COVID. Given the COVID-reduced kills in Alberta last year, more hogs moved to Manitoba for harvest. So, in other words, once again due to COVID, year-over-year comparisons are misleading. Nevertheless, even in comparison to other non-COVID years, the numbers going from Alberta to Manitoba are down, notably this year.

The likely implication is that Olymel is managing, through a variety of means, to keep Alberta hogs in Alberta. Olymel has secured volumes that previously went to Brandon through ownership changes or competitive pricing adjustments.

Saskatchewan Shuffle

Another point of interest is that the number of market hogs going from Saskatchewan into Alberta is up sharply this year compared to last. So far this year, Saskatchewan finished hogs slaughtered in Alberta have amounted to about 550-570,000 head. That is up nearly 100,000 head year-over-year. Again, part of the reason might be that Alberta could not handle them last year in the first quarter due to COVID. With that noted, the number from Saskatchewan to Alberta is up sharply compared to non-COVID years as well.

I expect a large part of the increase for Saskatchewan into Alberta is due to Olymel hogs that normally would have gone south as weaners or feeders. Olymel has made major changes to its production and flow systems in Saskatchewan. Those changes were at least in part due to changes prompted by the Eagle Creek farm fire in 2018. More pigs have been repatriated north from Saskatchewan that would have gone south.

It is likely that not all the increase into Alberta from Saskatchewan was due to repatriated weaners and feeders. There likely were numbers that historically went to Manitoba that are now going to Alberta. The number of hogs going from Saskatchewan to Manitoba is down about 50-60,000 head this year compared to normal years.

Saskatchewan-based federally inspected slaughter is the Donald's Fine Foods' Thunder Creek plant in Moose Jaw. I estimate slaughter at that plant to be down about 4-5% year over year. Kills at Moose Jaw are likely running about 1,100 per day which might be about 50/day less than last year in recent weeks.

Kevin Grier, August 2022

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