



Pork Merchandiser's Profit Maximizer

©2024 The National Pork Board, Des Moines, IA 515-223-2600.
Prepared by Steiner and Company, Manchester, NH 800-526-4612.

October 21, 2024

1. Exports were slow through the summer but could ramp up in Q4? Futures are certainly pricing a robust demand environment.

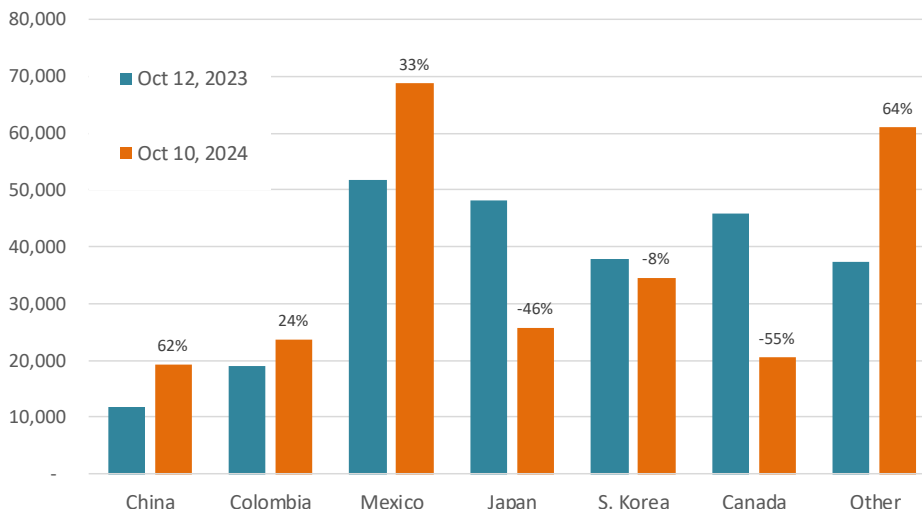
Shipments of fresh, frozen, and cooked pork in August were estimated at 192,376 MT, marking a 7.1% increase compared to the previous year. This uptick follows a 14% rise in exports in July. Year-to-date, total U.S. pork export shipments reached 1.6 million MT, representing a 5.2%

increase from last year.

Two markets significantly drove the increase in exports for August. Shipments to Mexico, the top market, totaled 82,139 MT, up 6.6% from a year ago, accounting for about 40% of the overall export increase. Surprisingly, shipments to Colombia surged by 85%, contributing an even larger share to the overall increase, despite Colombia being a small fraction of the Mexican market. In fact, in August, Colombia imported more pork than China.

Outstanding Pork Export Sales as of Oct 10, 2024

Data in Metric Ton, Product Wt. Basis. Source: USDA-FAS. Analysis by Steiner Consulting



With Colombian authorities lifting some restrictions on U.S. imports, we anticipate an increase in U.S. pork and poultry exports to this market. Japan remains an important destination for U.S. pork; however, exports to Japan lagged, down 5.7% in August and 3.3% year-to-date. We believe the pace of pork export shipments may have slowed in September, although it could still exceed last year's levels. Weekly pork exports tend not to correlate well

with monthly statistics due to gaps in reporting and the types of products being exported. Outstanding pork export sales through the end of the year are currently slightly ahead of a year ago but export sales to Mexico, the top market, are currently up as much as 33% y/y. While ham values have been in check to this point, the combination of higher sales to Mexico and seasonal domestic demand is likely to underpin ham prices in the next 4-5 weeks.

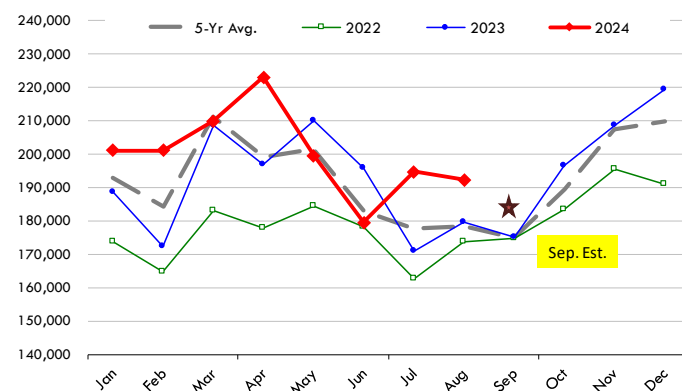
2. Pork supply falls short of expectations

The pork supply this fall was expected to be plentiful—some even considered it burdensome. However, that hasn't been the case. Hog slaughter last week was slightly below last year's level, and hog weights have increased more slowly than anticipated (see chart). Suddenly, pork buyers who were confident in their ability to secure product are now scrambling to find it. A prime example is the belly market, with primal belly prices reaching \$150, compared to early forecasts of \$110. Pork trim has seen a similar trend, with buyers on Friday paying as much as \$84/cwt for 42CL pork, a 53% increase over last year.

Belly prices remain key for the cutout outlook through the end of the year. In 2022, belly prices saw a similar uptick in October on robust retail features only to fall under \$100/cwt by mid December. December hog futures are currently priced at a little over \$78/cwt. Even with a below normal spread for that time of year of around \$13, this implies a cutout value for mid December of around \$91/cwt. For that to happen, belly prices by that time would have to trade in the \$125 area, maybe as high as \$130 should loins and other fresh pork prices follow the seasonal trend. Clearly futures are currently pricing both a more robust demand environment as well as a smaller than expected supply of hogs.

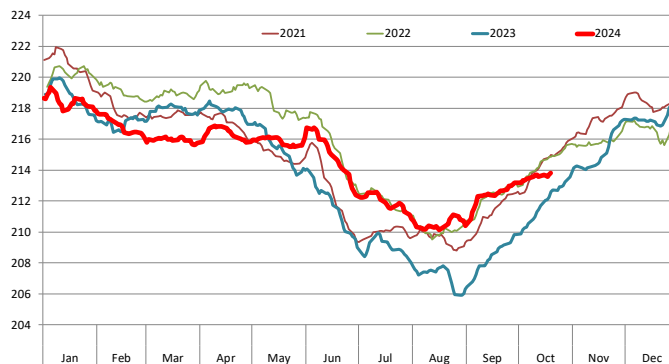
Quantity of US Exports of Fr/Frz/Cooked Pork: World Total

Source: USDA/FAS. Units: Metric Ton. Analysis by: Steiner Consulting (800.526.4612)



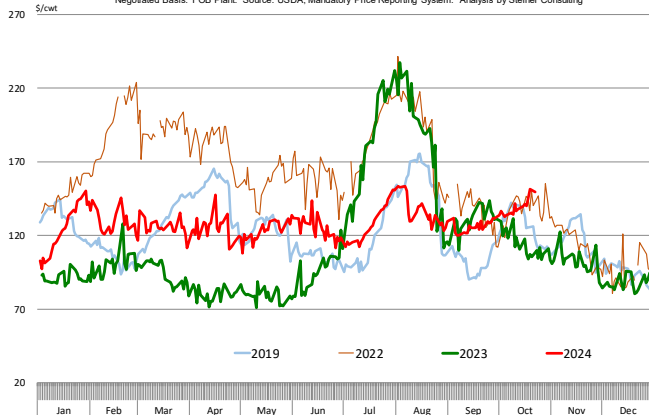
Barrow/Gilt Dressed Carcass Weights, 5-day Moving Avg. - All Hogs

Based on Daily MPR Report, LM_HG201. Data through Oct 18, 2024. Analysis by Steiner Consulting



BELLY PRIMAL VALUE

Negotiated Basis. FOB Plant. Source: USDA, Mandatory Price Reporting System. Analysis by Steiner Consulting



Product Update

Hog Market. For the week ending October 19 hog slaughter was 2.613 million head, down 0.1% from a year ago. In the last two weeks hog slaughter is down 0.5% vs. year ago levels.

Iowa/Minnesota, Base Negotiated Purchase for Barrows and Gilts. Lean hog carcass values at about 83.98 /cwt. on Friday were down \$0.5/cwt since Wed. October 9. Prices are up about 3.5 \$/cwt compared to year ago values.

Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA (page 8). Prices finished last week at \$1.0702, down about 1.9 cents since the Wed. October 9 quote and down about 5 cents from year ago levels.

Bnls. Strap on Pork Loins. Prices finished the week at \$1.4112 for the strap on loins, down 0.0 cents since Wed. October 9 and down 14 cents from the year ago levels. Strap off loins at \$1.6369 are down 2.2 cents since Wed. October 9 and down about 9 cents compared to the year ago quote.

Boneless sirloins at \$1.3863 were down about 5 cents from the Wed. October 9 quote but up about 11.6 cents from the year ago price.

Pork tenderloin finished last week at \$1.8170, down 3 cents since the Wed. October 9 quote but up about 45.0 cents from the year ago price.

1/4 Trim Pork Butts (page 10), prices finished the week at \$1.1729, down 1.3 cents since Wed. October 9. Prices are up 6 cents from a year ago.

Spareribs, Trimmed - LGT, Vac (page 8). Prices finished the week at \$1.5088, up about 4 cents since Wed. October 9 and up about 24 cents from year ago levels.

Rib inventories on August 31 were 59.3 million pounds, up 4.5% from a year ago.

Bone-in Hams

17/20 hams (page 9) price was last quoted at \$0.8916/lb. down 3 cents since Wed. October 9 but up about 5 cents from a year ago.

20/23 hams finished the week at 84.93 cents (page 130) down about 2 cents since Wed. October 9 but up about 6 cents from the year ago level.

23/27 hams finished the week at 82.40 , down about 0 cents from the Wed. October 9 quote but up about 3 cents from the year ago level.

Total ham cold storage stocks on August 31 at 150.2 million pounds were down 2.7% from year ago levels.

42 CL Pork Trim "FOB Basis". Prices finished the week at 74.66 cents, down about 1.6 cents since Wed. October 9 but up about 20 cents from the year ago price.

72 CL Pork Trim "FOB Basis". Prices finished the week at 94.78 cents, up 3.8 cents since the Wed. October 9 quote and up about 21 cents from the year ago levels.

Freezer stocks of all trimmings on August 31 were 38.5 million pounds, down 4.3% from the year ago levels.

72 CL Picnic Meat "FOB Basis". The premium of picnic meat to 72CL trim is currently at 35 cents compared to 40 cents average in the previous six months.

POULTRY

Whole Broilers

The National Whole Bird price was quoted at 132.99 on Friday, October 18, up about 13 cents from a year ago.

Broiler slaughter for the week ending October 12 was 168.62 million head, up 1.41% from a year ago. For the last two weeks broiler slaughter was up 0.1% vs. a year ago.

Breasts. Prices on boneless skinless breasts finished the week at \$1.4859, down 8 cents since

Wed. October 9 and down about 8 cents from year ago levels.

Leg Quarters. Last week leg quarter prices at 51.39 cents per pound prices were down about 0.15 cents vs. two weeks ago but were up 10 cents from a year ago.

Wings. Prices at \$1.9859 are up about 30 cents from year ago levels.

Turkeys

The prices below reflect weekly quoted USDA prices.

Hens finished last week at \$1.1120, up 7 cents since Wed. October 9 but down about 4 cents from the year ago price.

Toms finished last week at \$1.0350, down 1 cent since Wed. October 9 and down about 11 cents from the year ago price.

Total turkey supplies in the freezer on August 31 were up 2.1% from a year ago at 456.3 million pounds. Whole birds were up 1.1% from a year ago with an inventory of 247.0 million pounds.

Turkey slaughter was 3.6870 million head for the week ending October 12, down 13.17%

from a year ago. For the last two weeks slaughter has been down 4.54%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at \$1.9800, down since Wed. October 9. Prices are down about 62 cents vs. year ago levels.

BEEF

NOTE: WE ARE NOW REPORTING AND FORECASTING WEIGHTED AVERAGE BLUE SHEET PRICES FOR BEEF CUTS.

Choice 112A Heavy Bnls. Lip On Rib Eyes at \$11.8326 (weighted average quote) finished

last week up about 84 cents since the Wed. October 9 quote and up about 42 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at \$9.0417 (weighted average quote) finished last week down about 18 cents since the Wed. October 9 quote and down about 27 cents vs. the year ago price.

Currently Choice 112A Rib Eyes are \$2.7909 /lb. over Select. The 2017 annual average spread (wt. average price) had the Choice at a premium to the Select by \$0.1235 per pound and the previous five years (2015 thru 2019) average spread was Choice at a premium to the Select by \$0.1244 per pound.

81CL Meat Block With prices at \$3.5267 for 90CL and \$0.6168 for 50CL product, an 81CL meat block value is now \$2.8720 and a 78CL meat block is \$2.6537. Choice 114, 3 Clods are now being priced 49.68 cents over 81CL meat block grinding values of 90s and 50s. A year ago the spread was 89.10 cents and the five year average spread for is 38.52 cents over.

Choice #161 Boneless Rounds finished last week at **\$3.7000**, unchanged since Wed. October 9 and down about 17 cents from year ago levels.

Choice regular #168 insides finished last week quoted at \$3.3527 up about 10 cents since Wed. October 9 but down about 21 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at \$3.3817 up about 6 cents since Wed. October 9 but down about 13 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at \$3.3845 up about 44 cents since Wed. October 9 and up about 9 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at \$7.4031 (wt. avg.) up about 44 cents from the Wed. October 9 quote. Prices are up 81 cents from year ago levels.

Choice #184 Regular Heavy top butts

finished at \$4.0277 (wt. avg.) **down** about 15 cents since Wed. October 9 but **up** about **21** cents from year ago levels.

Choice #184 ¼ inch trimmed Top Butts

finished at \$4.2781 (wt. avg.) up about 7 cents since Wed. October 9 and up about 53 cents from the year ago levels.

Choice #185A Flap Meat

prices finished Friday at \$7.0395 (wt. avg.) up about 29 cents since Wed. October 9 and up about 92 cents from year ago values.

COARSE GROUND BEEF –

73CL Coarse Ground product finished last week at **\$2.3465 down** about one cents since Wed. October 9 but up about 9 cents from year ago levels.

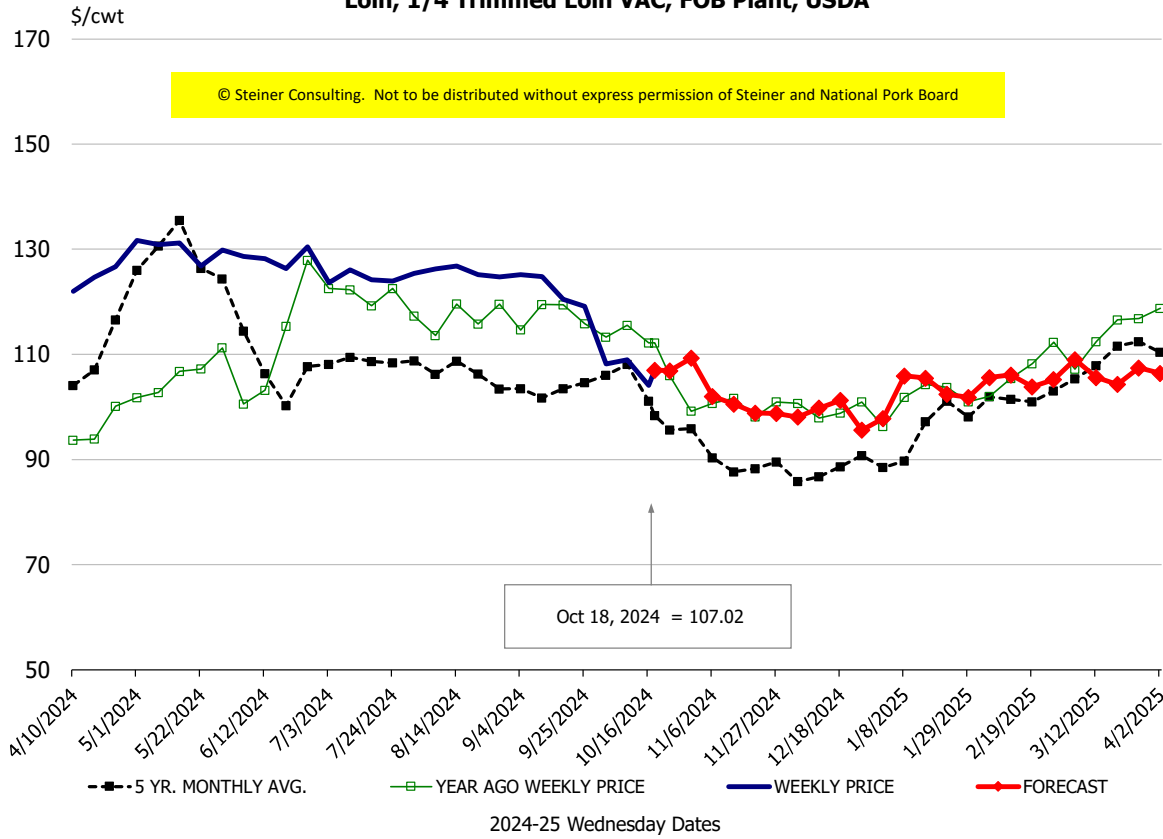
81CL Coarse Ground product finished last week at \$3.0399 up about 9 cents since Wed. **October 9 and up** about **37** cents from the year ago quote.

90CL Bnls. Beef prices finished the week at **\$3.5267** (wt. avg.) **up 5.38** cents since Wed. October 9 and up 60 cents compared to the year ago price quote. **50 CL Beef Trim** prices finished last week at \$0.6168, down about 6 cents since Wed. October 9 and down 19 cents compared to year ago levels.

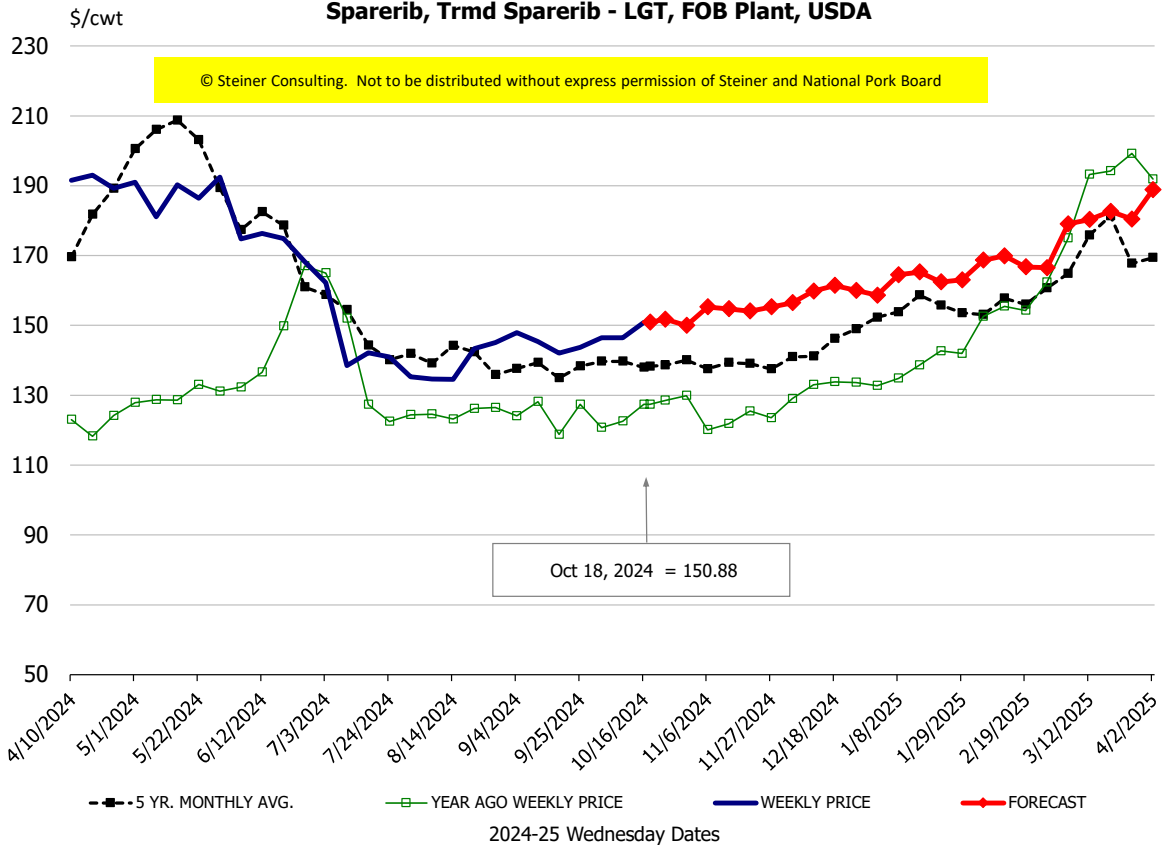
Protein Summary Table - WT. AVE.

	HISTORY									FORECAST					
	Apr	May	Jun	Jul	Aug	Sep	10/9/2024	10/18/2024	10/30/2024	Oct	Nov	Dec	Jan	Feb	Mar
© Steiner Consulting. Not to be distributed without express permission of Steiner and National Pork Board															
PORK															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	122.4	130.3	128.4	124.9	125.5	123.3	109.0	107.02	109	108	101	99	103	105	106
Loin, 1/8 Trimmed Loin VAC, FOB Plant, USDA	126.7	139.1	138.6	133.2	131.3	129.7	119.5	115.10	119	118	113	109	110	112	114
Loin, Bnls CC Strap-off, FOB Plant, USDA	178.6	184.5	180.9	170.1	166.5	166.4	165.9	163.69	166	164	163	169	172	171	170
Loin, Tenderloin, FOB Plant, USDA	177.7	182.2	176.5	170.2	174.5	180.2	185.0	181.70	185	182	175	171	169	168	159
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	132.8	138.3	133.0	120.7	110.8	109.9	106.5	108.72	110	109	108	112	107	105	114
Sparerib, Trmrd Sparerib - LGT, FOB Plant, USDA	189.5	183.7	170.7	143.8	137.9	144.6	146.5	150.88	150	149	156	159	163	169	179
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	259.0	268.6	270.4	271.2	266.9	241.5	256.7	255.14	256	257	258	266	284	282	284
Sparerib, Trmrd Sparerib - MED, FOB Plant, USDA	179.1	187.7	171.2	145.9	137.7	136.7	147.3	151.87	151	149	151	153	159	166	174
Loin, Backribs 2.0#/up, FOB Plant, USDA	251.2	257.0	260.3	239.9	220.5	218.8	221.0	220.98	224	220	219	220	225	242	248
Ham, 17-20# Trmrd Selected Ham, FOB Plant, USDA	95.1	89.5	93.2	99.6	108.0	92.9	92.3	89.16	91	92	95	89	79	77	82
Ham, 20-23# Trmrd Selected Ham, FOB Plant, USDA	87.1	85.9	88.5	106.6	97.4	90.3	86.6	84.93	86	86	93	88	78	75	78
Ham, 23-27# Trmrd Selected Ham, FOB Plant, USDA	87.7	86.1	88.5	111.8	94.5	87.3	82.7	82.40	83	83	91	86	76	74	77
Belly Cutout, FOB Plant, USDA	123.9	123.7	124.4	128.7	135.7	126.3	141.5	143.52	144	139	130	124	132	142	140
Belly, Derind Belly 9-13#, FOB Plant, USDA	160.3	155.9	163.9	161.1	165.3	152.4	184.1	172.25	173	172	161	153	163	175	173
Belly, Derind Belly 13-17#, FOB Plant, USDA	144.0	150.3	148.5	156.9	160.4	152.1	170.2	171.71	174	169	160	152	162	174	172
Trim, 42% Trim Combo, FOB Plant, USDA	75.2	61.0	55.2	59.3	85.0	66.0	76.3	74.66	75	77	64	60	58	61	63
Trim, 72% Trim Combo, FOB Plant, USDA	103.0	95.8	95.3	90.3	101.3	87.7	91.0	94.78	91	94	85	82	84	86	90
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	113.9	119.4	119.5	120.8	121.7	122.2	117.2	113.34	112	115	109	104	104	103	100
Carcass Cutout, FOB Plant, USDA	99.1	100.3	98.9	100.0	98.9	94.9	95.2	95.44	96	95	96	92	91	91	91
HOG CARCASS															
CME 1-Day Lean Hog Index	89.6	91.5	90.8	90.0	89.9	86.3	84.5	83.98	84	84	79	74	78	80	81
BROILERS															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	131.3	131.4	131.8	132.1	129.8	131.4	133.3	132.99	130	132	130	130	130	131	133
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	170.4	182.0	172.2	176.1	189.5	191.2	156.1	148.59	142	152	140	135	137	147	151
N.E. BROILER BREAST LINE RUN, USDA	105.9	106.1	106.5	105.6	107.2	107.7	107.2	107.15	107	107	103	102	104	105	112
N.E. BROILER LEG QUARTERS, USDA	49.7	50.8	52.7	52.2	51.9	52.6	51.5	51.39	51	51	50	48	47	48	48
N.E. BROILER WINGS, USDA, WT. AVG.	228.4	231.1	252.7	262.7	243.4	231.9	213.5	198.59	206	208	217	225	234	250	245
TURKEYS															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	97.3	102.2	99.6	93.8	95.3	91.7	104.0	111.20	104	110	112	106	103	103	105
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	97.9	97.4	98.2	97.0	89.6	101.8	104.5	103.50	104	103	104	103	103	103	105
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	260.0	228.8	220.0	220.0	220.0	217.5	200.0	198.00	204	200	203	203	203	203	203
LIVE STEERS															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	185.2	187.0	191.2	195.2	189.8	183.1	187.1	187.64	186	187	188	187	187	187	188
BEEF															
CHOICE, 112A, 3, USDA, RIBEYE, BONELESS, HEAVY, WT. AVG.	933.4	963.3	1064.1	953.8	957.5	1022.9	1099.6	1183.26	1144	1144	1242	1194	981	1007	1072
CHOICE, 161, 1, USDA, ROUND, BONELESS, WT. AVG.	364.7	361.8	356.9	376.1	380.7	374.3	370.0	370.00	372	370	361	357	357	357	356
CHOICE, 168, 3, TOP INSIDE ROUND, 1/4" MAX, WT. AVG., USDA	321.4	321.5	334.3	367.6	365.4	336.2	331.8	338.17	336	335	334	328	337	348	352
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	289.2	293.4	300.9	314.9	318.5	297.8	294.4	338.45	330	326	315	307	315	311	300
CHOICE, 180, 3, USDA, STRIP LOIN, BONELESS, 0X1, WT. AVG.	947.3	986.9	1111.0	906.8	702.8	661.0	696.1	740.31	719	720	703	711	783	816	951
CHOICE, 184, 3, USDA, TOP BUTT, BONELESS, WT. AVG.	449.6	476.6	528.8	531.8	496.8	453.3	420.8	427.81	429	429	435	435	439	452	485
CHOICE, 185A, 4, USDA, BOTTOM SIRLOIN, FLAP, WT. AVG.	709.7	717.0	725.0	847.5	752.8	656.0	674.5	703.95	690	694	704	708	739	770	825
USDA, COARSE GROUND 73%, WT. AVG.	233.7	231.1	262.8	278.8	282.0	227.2	235.2	234.65	245	238	225	243	258	251	247
COARSE GROUND 81%, WT. AVG., USDA	281.7	294.0	315.3	329.7	336.3	296.3	295.3	303.99	308	301	298	309	322	317	309
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	346.2	349.8	362.6	373.4	374.0	361.3	347.3	352.67	352	351	347	351	353	355	361
USDA, 50CL BEEF TRIM, FRESH, NATIONAL, WT. AVG.	91.2	74.9	87.4	126.9	158.3	102.9	67.9	61.68	71	66	72	89	109	124	148

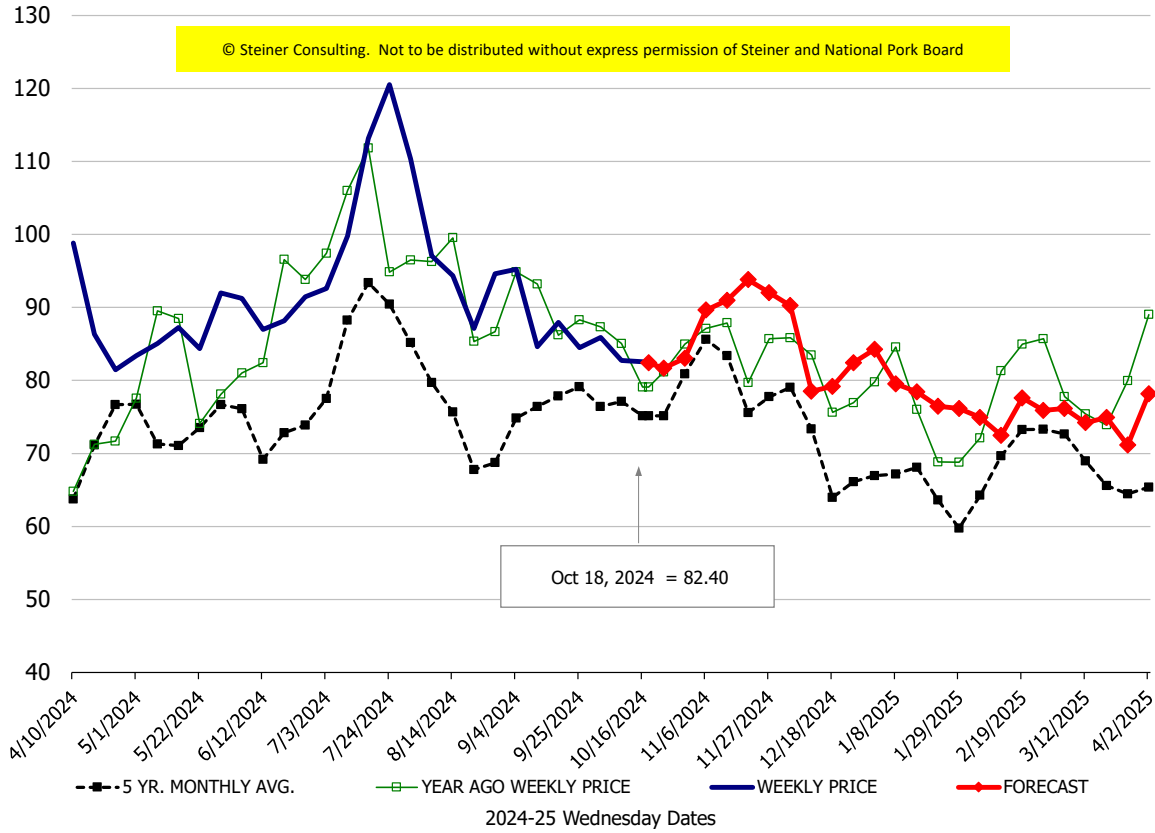
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA



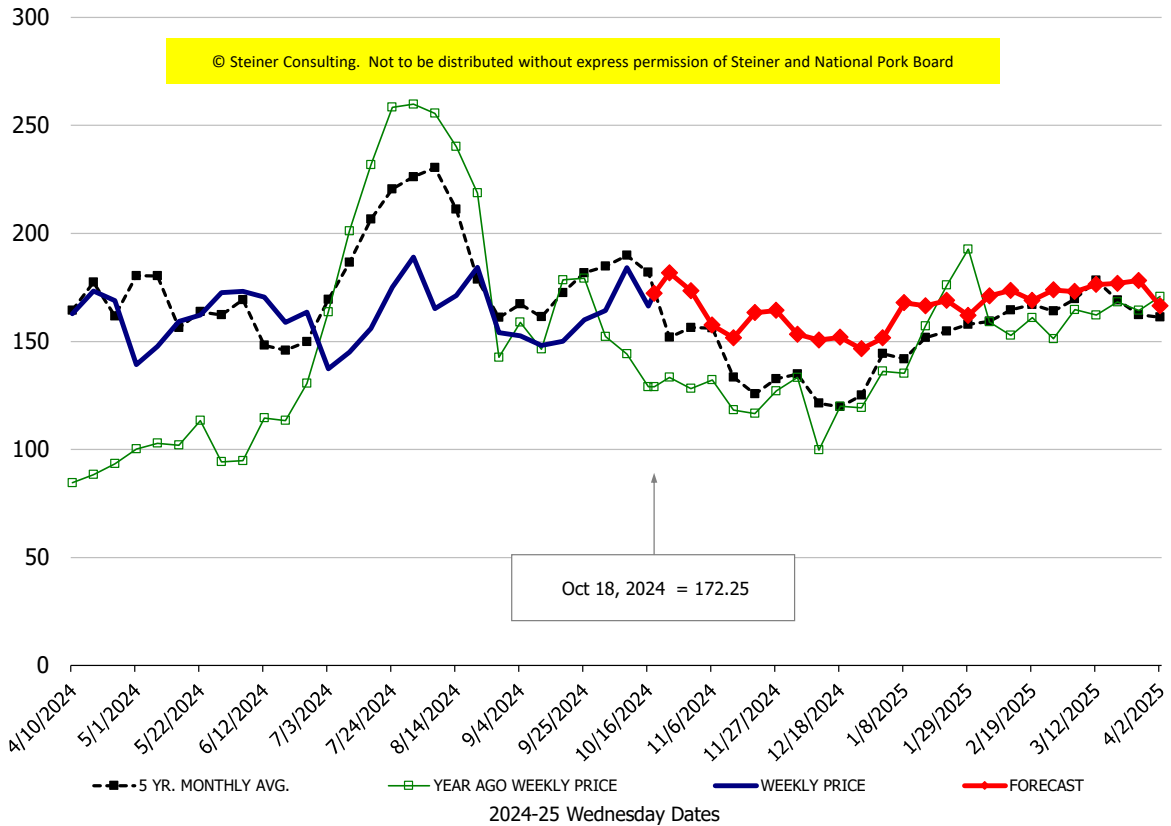
Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA

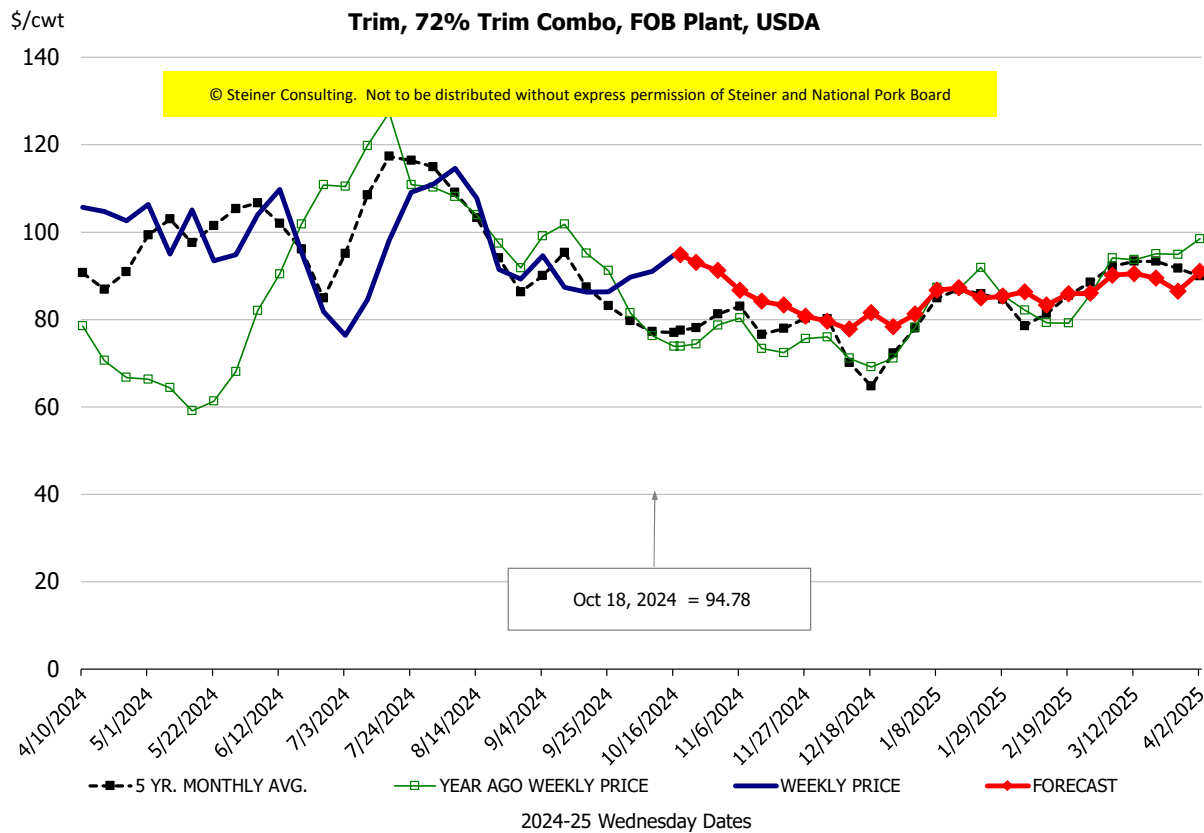
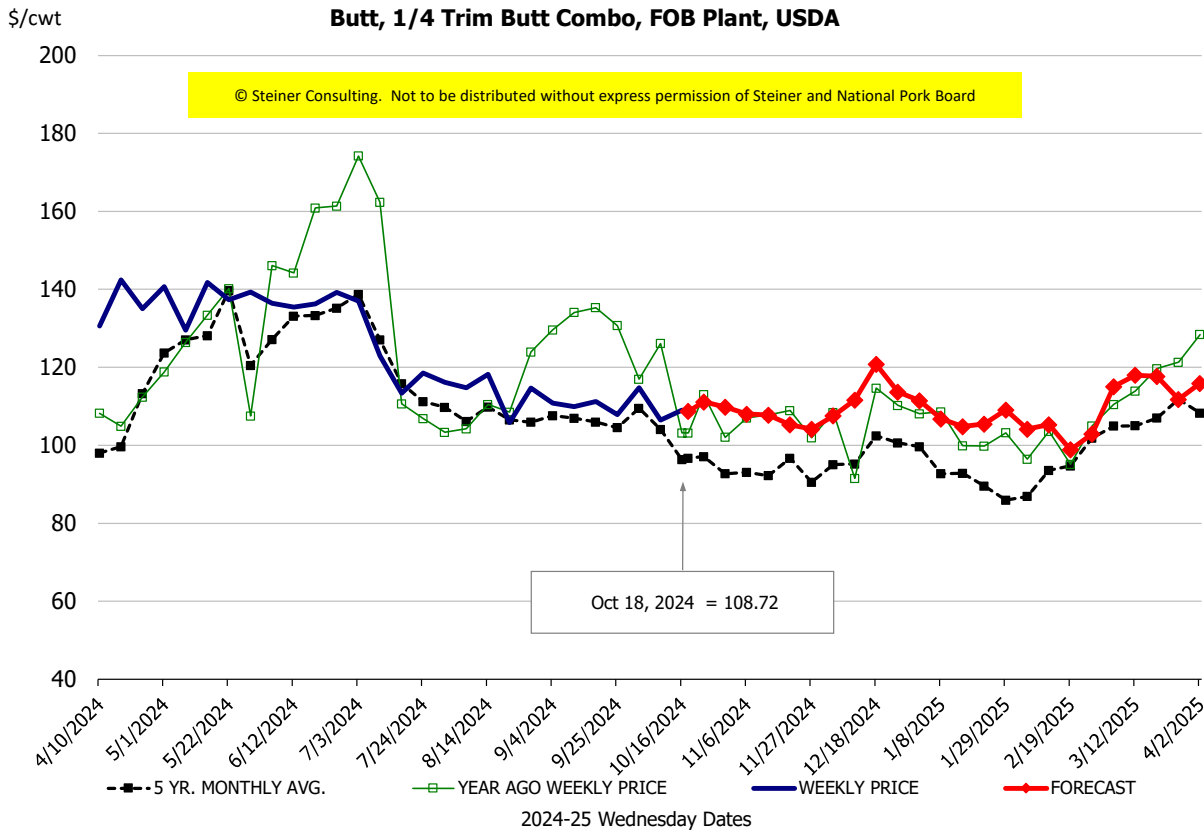


Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA



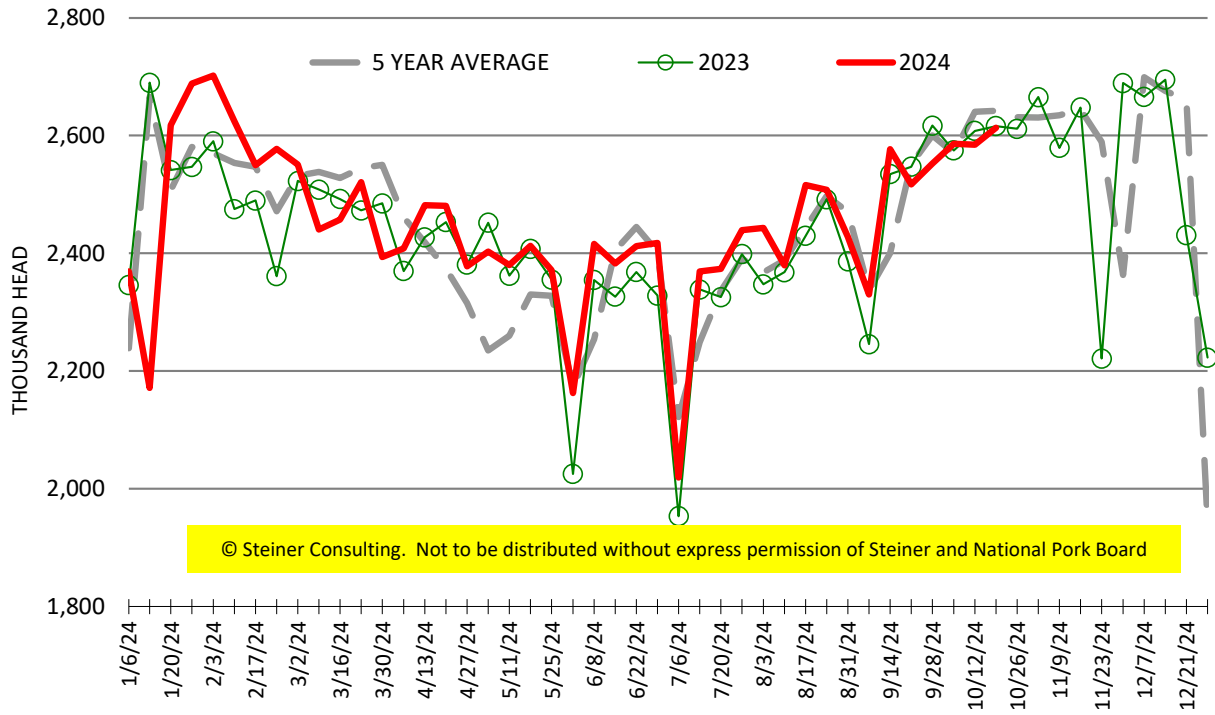
Belly, Derind Belly 9-13#, FOB Plant, USDA





ESTIMATED WEEKLY FI HOG SLAUGHTER

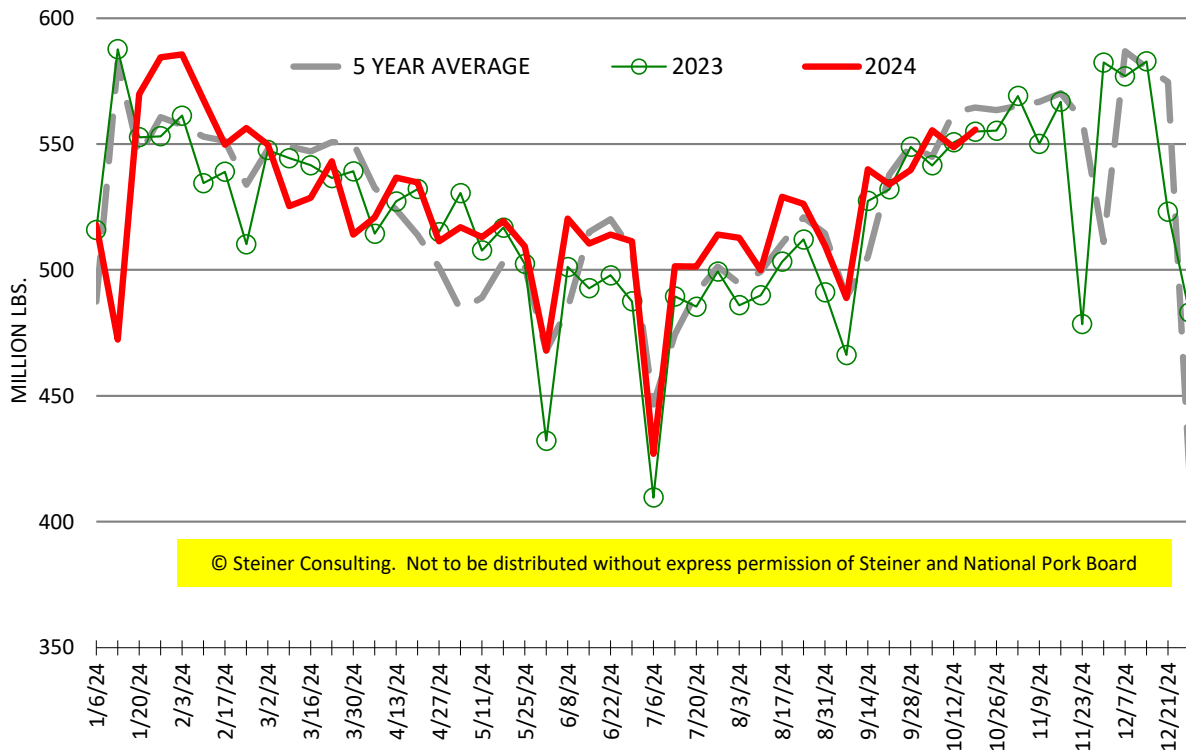
Source: USDA, '000 head



© Steiner Consulting. Not to be distributed without express permission of Steiner and National Pork Board

ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds



© Steiner Consulting. Not to be distributed without express permission of Steiner and National Pork Board