



# Pork Merchandiser's Profit Maximizer

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Prepared by Steiner and Company, Manchester, NH 800-526-4612.

**December 14, 2024**

## 1. Market Update

**Holidays and demand from Mexico drive the market for hams, but the primary catalyst for higher prices this year has been the shortfall in slaughter.** Hog slaughter typically peaks in Q4, with the highest weekly slaughter occurring in the two weeks after Thanksgiving. This seasonal trend reflects the impact of the

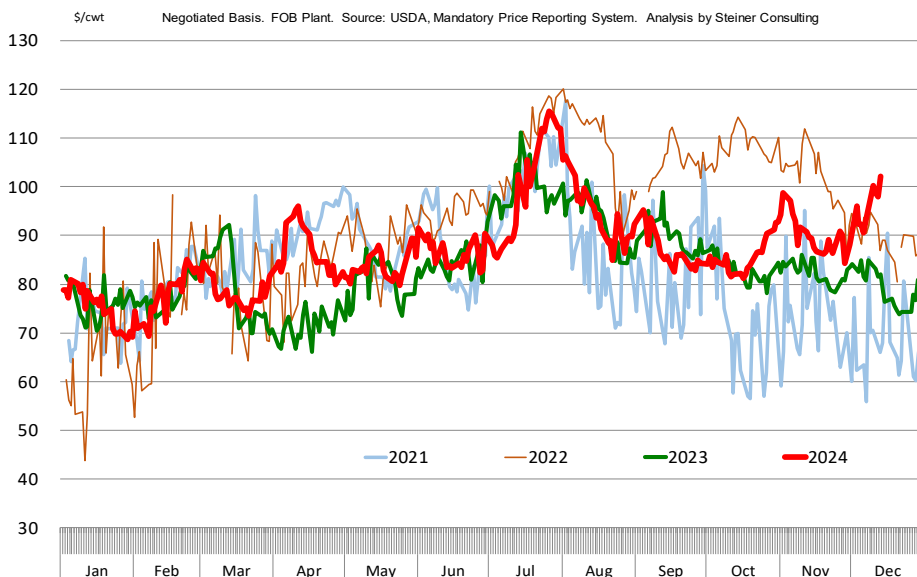
the heaviest supply period of the year. Producers must then market hogs more aggressively before another holiday slowdown in the latter half of December.

To say this year has been surprising is an understatement. The September Hogs and Pigs report projected a supply increase of hogs likely to come to market between September and November, ranging from 2% (based on the March–

May pig crop) to 4% (based on the market hog inventory as of September 1). However, weekly slaughter during this period was slightly lower than a year ago.

In the two weeks following Thanksgiving, hog slaughter totaled 2.602 million and 2.560 million head, representing year-over-year declines of 2.5% and 5.0%, respectively. Additionally, hog weights, which had been running higher year-over-year during the spring and summer, have since flattened and are now at the same level as a year ago.

**HAM PRIMAL VALUE**



holiday, which limits slaughter capacity during

This supply shortfall has supported the pork cutout overall, but it has had a particularly pronounced impact on items with very inelastic near-term demand, such as hams and trimmings. The timing of the holidays this year may have also played a role, as processors sought to maintain production to meet immediate needs but encountered an extremely tight spot supply. The volume of 23–27 lb. hams traded on the open market last week was 45% lower than a year ago.

We expect ham prices to decline over the next two weeks, partly because Christmas demand will be behind us and partly due to reduced processor schedules. Mexican and export buyers have also begun to pull back. Pork trimming prices have followed a similar trajectory and are likely to ease as well.

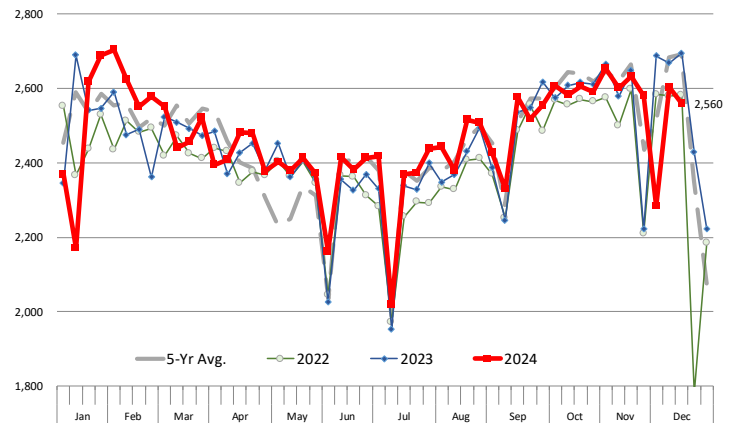
### Compressed packer margins

Pork packer margins were compressed over the past couple of weeks, so it's no surprise that they limited slaughter, particularly Saturday slaughter. Last week's Saturday slaughter was 150,000 head—half of what it was during the same week a year ago. The reduced slaughter helped clean up spot supplies and bolstered prices, especially for last-minute holiday items like hams. With lower slaughter levels ahead, packers are aiming to bring margins back in line.

However, not everything is rosy in the pork complex, despite the buzz about strong demand. The loin primal was down year-over-year, even as overall pork supplies declined 5% compared to last year. Will high prices for chicken breasts and ground beef prompt consumers to add more pork chops to their shopping carts? Maybe, but it's far from guaranteed.

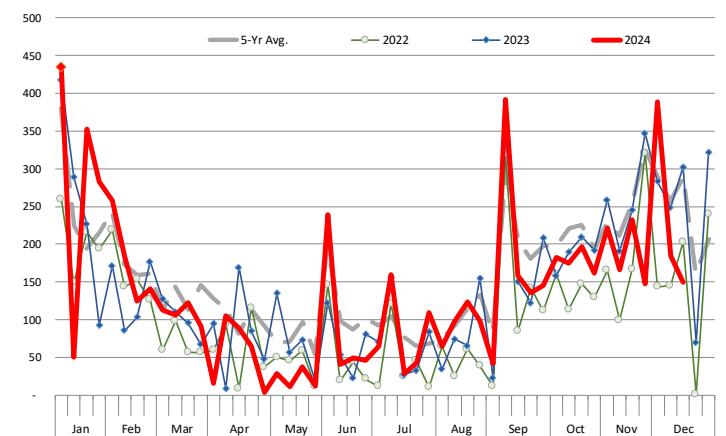
### WEEKLY HOG SLAUGHTER. '000 HEAD

Source: USDA. Analysis by Steiner Consulting



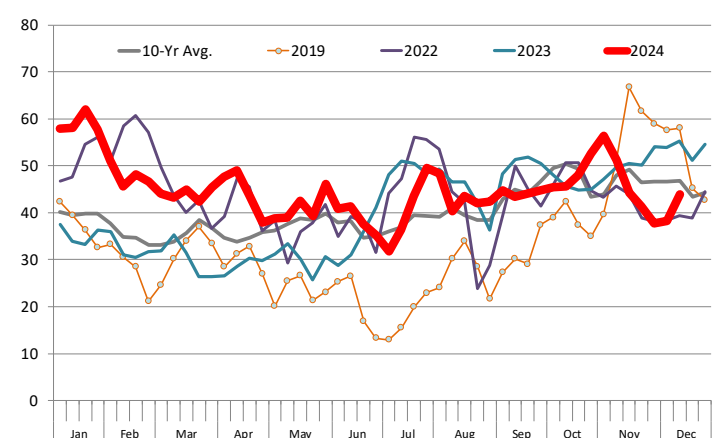
### SATURDAY HOG SLAUGHTER. '000 HEAD

Source: USDA. Analysis by Steiner Consulting



### Pork Packer Gross Margin Calculation

Calculated Using the Weekly Pork Cutout Value, Number of Head Processed, and Drop Credit Value. Data Source: USDA, Steiner & IMIC Drop Credit



## Product Update

**Hog Market. For the week ending December 14 hog slaughter was 2.573 million head, down 4.5% from a year ago. In the last two weeks hog slaughter is down 3.5% vs. year ago levels.**

**Iowa/Minnesota, Base Negotiated Purchase for Barrows and Gilts.** Lean hog carcass values at about 83.95 /cwt. on Friday were up \$0.0/cwt since Wed. December 4. Prices are up about 16.2 \$/cwt compared to year ago values.

**Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA** (page 8). Prices finished last week at \$0.9245, down about 1.3 cents since the Wed. December 4 quote and down about 3 cents from year ago levels.

**Bnls. Strap on Pork Loins.** Prices finished the week at \$1.3321 for the strap on loins, up 1.9 cents since Wed. December 4 but down 12 cents from the year ago levels. Strap off loins at \$1.5461 are down one cent since Wed. December 4 and down about 8 cents compared to the year ago quote.

**Boneless sirloins** at \$1.2219 were down about 4 cents from the Wed. December 4 quote but up about 5.4 cents from the year ago price.

**Pork tenderloin** finished last week at \$1.6374, up 8 cents since the Wed. December 4 quote and up about 26.0 cents from the year ago price.

**1/4 Trim Pork Butts** (page 10), prices finished the week at \$1.2224, up 3.6 cents since Wed. December 4. Prices are up 24 cents from a year ago.

**Spareribs, Trimmed - LGT, Vac** (page 8). Prices finished the week at \$1.5871, down about one cent since Wed. December 4 but up about 26 cents from year ago levels.

Rib inventories on October 31 were 72.9 million pounds, up 4.0% from a year ago.

## Bone-in Hams

17/20 hams (page 9) price was last quoted at \$1.0693/lb. up 7 cents since Wed. December 4 and up about 15 cents from a year ago.

20/23 hams finished the week at 107.36 cents (page 130) up about 11 cents since Wed. December 4 and up about 18 cents from the year ago level.

23/27 hams finished the week at 106.41 , up about 10 cents from the Wed. December 4 quote and up about 23 cents from the year ago level.

Total ham cold storage stocks on October 31 at 116.1 million pounds were up 2.3% from year ago levels.

**42 CL Pork Trim** "FOB Basis". Prices finished the week at 42.36 cents, down about 0.9 cents since Wed. December 4 and down about 3 cents from the year ago price.

**72 CL Pork Trim** "FOB Basis". Prices finished the week at 95.49 cents, up 6.8 cents since the Wed. December 4 quote but up about 24 cents from the year ago levels.

Freezer stocks of all trimmings on October 31 were 37.0 million pounds, down 2.2% from the year ago levels.

**72 CL Picnic Meat** "FOB Basis". The premium of picnic meat to 72CL trim is currently at 37 cents compared to 41 cents average in the previous six months.

## POULTRY

### Whole Broilers

The National Whole Bird price was quoted at 134.08 on Friday, December 13, up about 6 cents from a year ago.

Broiler slaughter for the week ending December 7 was 168.21 million head, down 1.09% from a year ago. For the last two weeks broiler slaughter was up 12.0% vs. a year ago.

**Breasts.** Prices on boneless skinless breasts finished the week at \$1.4757, down 1 cent since

Wed. December 4 but up about 50 cents from year ago levels.

Leg Quarters. Last week leg quarter prices at 51.61 cents per pound prices were up about 0.39 cents vs. two weeks ago and were up 11 cents from a year ago.

Wings. Prices at \$1.8947 are up about 33 cents from year ago levels.

## Turkeys

### The prices below reflect weekly quoted USDA prices.

Hens finished last week at \$0.7507, down 25 cents since Wed. December 4 but up about 5 cents from the year ago price.

Toms finished last week at \$0.7510, down 24 cents since Wed. December 4 and down about 5 cents from the year ago price.

Total turkey supplies in the freezer on October 31 were down 3.7% from a year ago at 307.7 million pounds. Whole birds were down 8.8% from a year ago with an inventory of 135.3 million pounds.

Turkey slaughter was 3.2750 million head for the week ending December 7, up 17.05%

from a year ago. For the last two weeks slaughter has been up 32.05%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at \$2.0400, unchanged since Wed. December 4. Prices are down about 56 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 \$15.4383 (weighted average quote) finished last week up about 98 cents since the Wed. December 4 quote and up about 189 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at \$10.5478 (weighted average quote) finished last week up about 27 cents since the Wed. December 4 quote and up about 0 cent vs. the year ago price.

Currently Choice 112A Rib Eyes are \$4.8905 /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 \$3.1580 for 90CL and \$0.8742 for 50CL product, an 81CL meat block value is now \$2.6441 and a 78CL meat block is \$2.4729. Choice 114, 3 Clods are now being priced 58.39 cents over 81CL meat block grinding values of 90s and 50s. A year ago the spread was 83.96 cents and the five year average spread for is 61.93 cents over.

Choice #161 Boneless Rounds finished last week at \$3.7100, unchanged since Wed. December 4 but up about 53 cents from year ago levels.

Choice regular #168 insides finished last week quoted at \$3.1649 up about 30 cents since Wed. December 4 and up about 70 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at \$3.1541 up about 18 cents since Wed. December 4 and up about 68 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at \$3.0836 down about 26 cents since Wed. December 4 but up about 52 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at \$7.1345 (wt. avg.) down about

19 cents from the Wed. December 4 quote. Prices are down 35 cents from year ago levels.

**Choice #184 Regular Heavy top butts** finished at \$4.1000 (wt. avg.) **up** about 14 cents since Wed. December 4 and **up** about 17 cents from year ago levels.

**Choice #184 ¼ inch trimmed Top Butts** finished at \$3.8494 (wt. avg.) down about 10 cents since Wed. December 4 and down about 11 cents from the year ago levels.

**Choice #185A Flap Meat** prices finished Friday at \$6.6489 (wt. avg.) up about 39 cents since Wed. December 4 and up about 58 cents from year ago values.

## **COARSE GROUND BEEF –**

**73CL Coarse Ground** product finished last week at **\$2.2084 down** about 5 cents since Wed. December 4 but up about 43 cents from year ago levels.

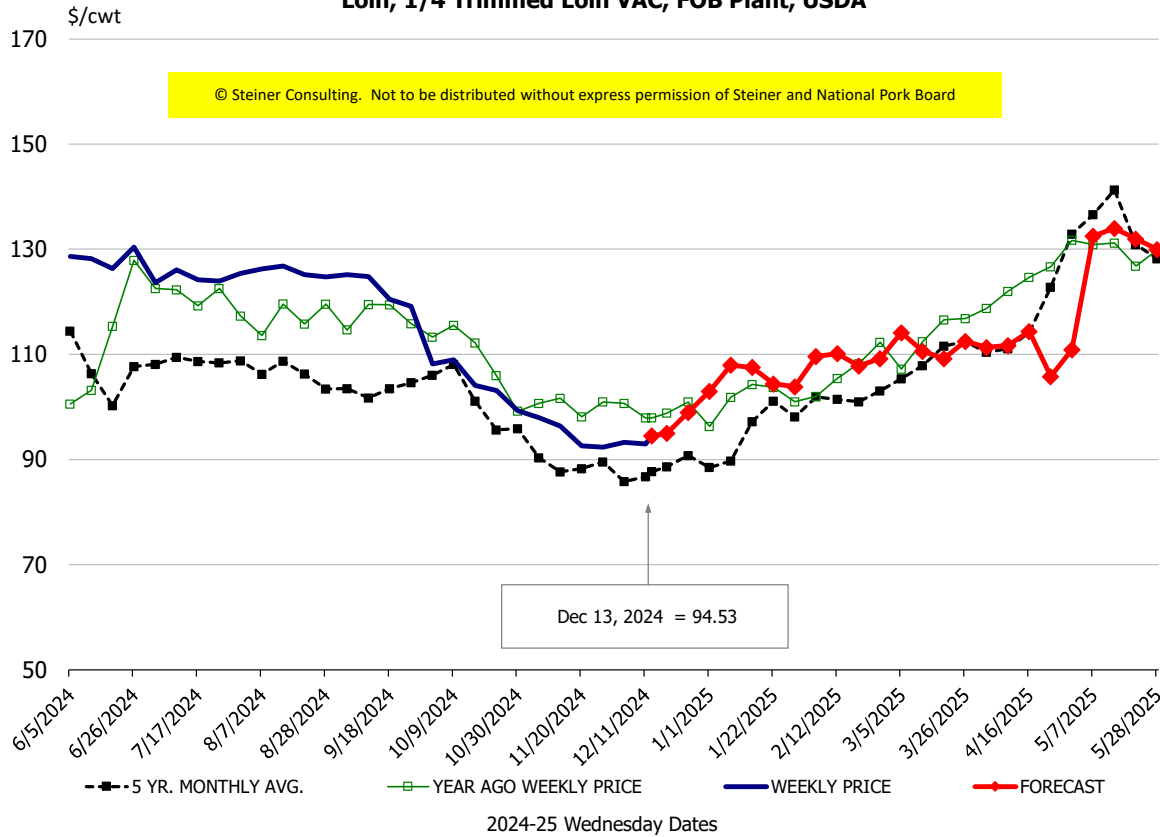
**81CL Coarse Ground** product finished last week at \$2.3647 up about one cent since Wed. **December 4 and up** about 30 cents from the year ago quote.

**90CL Bnls. Beef** prices finished the week at **\$3.1580** (wt. avg.) **down 11.40** cents since Wed. December 4 and up 60 cents compared to the year ago price quote. **50 CL Beef Trim** prices finished last week at \$0.8742, up about 18 cents since Wed. December 4 and up 31 cents compared to year ago levels.

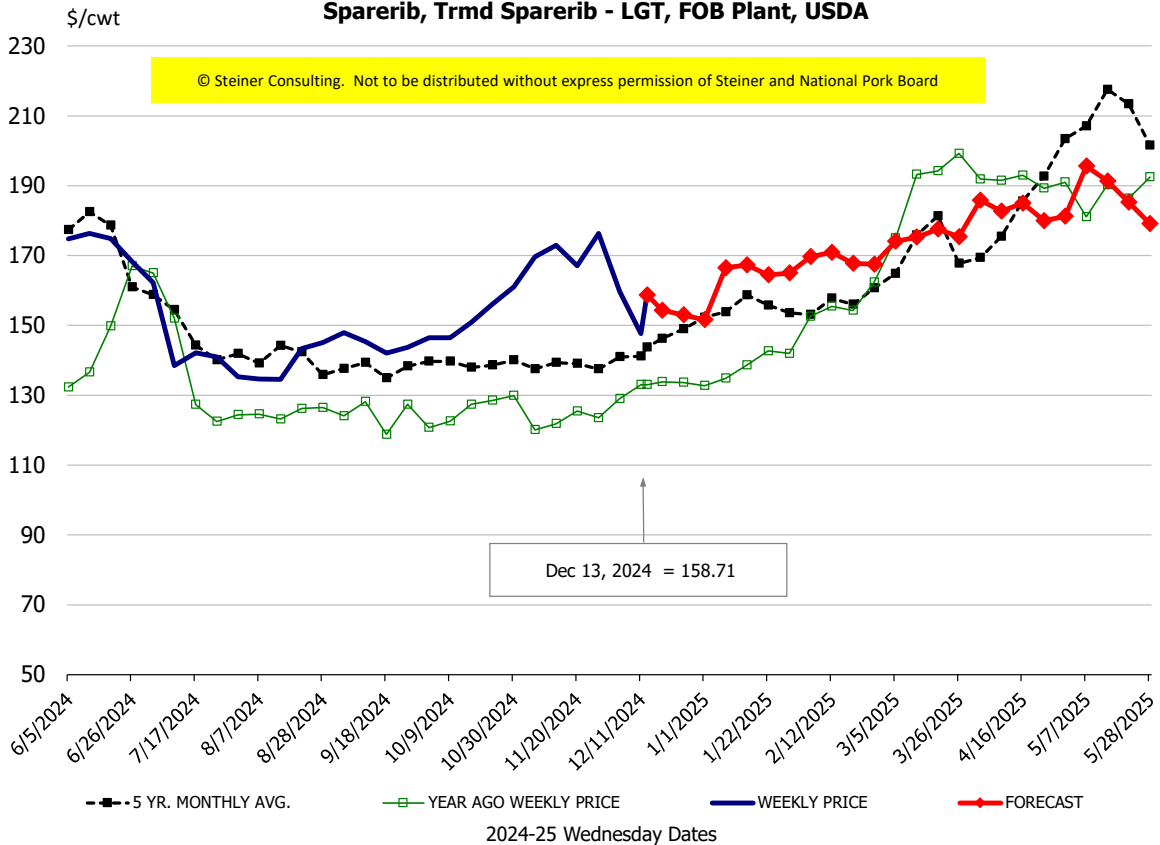
# Protein Summary Table - WT. AVE.

	HISTORY								FORECAST						
	Jun	Jul	Aug	Sep	Oct	Nov	12/4/2024	12/13/2024	12/25/2024	Dec	Jan	Feb	Mar	Apr	May
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<b>PORK</b>															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	128.4	124.9	125.5	123.3	105.2	95.0	93.3	94.53	99	95	105	109	111	113	128
Loin, 1/8 Trimmed Loin VAC, FOB Plant, USDA	138.6	133.2	131.3	129.7	115.8	102.0	101.0	104.22	103	103	111	117	120	122	135
Loin, Bnls CC Strap-off, FOB Plant, USDA	180.9	170.1	166.5	166.4	164.9	158.9	155.9	154.61	161	160	167	166	167	173	180
Loin, Tenderloin, FOB Plant, USDA	176.5	170.2	174.5	180.2	181.2	171.9	155.7	163.74	159	164	175	180	183	191	195
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	133.0	120.7	110.8	109.9	110.3	111.7	104.6	115.35	114	112	109	104	111	121	139
Sparerib, Trmrd Sparerib - LGT, FOB Plant, USDA	170.7	143.8	137.9	144.6	151.8	170.3	159.7	158.71	153	152	165	170	174	185	189
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	270.4	271.2	266.9	241.5	254.3	250.7	223.0	226.33	273	278	294	294	299	303	306
Sparerib, Trmrd Sparerib - MED, FOB Plant, USDA	171.2	145.9	137.7	136.7	152.0	169.3	162.0	149.35	152	154	160	171	172	177	191
Loin, Backribs 2.0#/up, FOB Plant, USDA	260.3	239.9	220.5	218.8	222.2	227.3	227.2	227.25	234	233	245	243	248	256	262
Ham, 17-20# Trmrd Selected Ham, FOB Plant, USDA	93.2	99.6	108.0	92.9	92.4	99.7	99.8	106.93	96	99	82	81	87	85	97
Ham, 20-23# Trmrd Selected Ham, FOB Plant, USDA	88.5	106.6	97.4	90.3	88.1	95.1	96.5	107.36	97	100	79	80	84	84	92
Ham, 23-27# Trmrd Selected Ham, FOB Plant, USDA	88.5	111.8	94.5	87.3	86.0	91.2	96.6	106.41	95	98	77	76	82	83	93
Belly Cutout, FOB Plant, USDA	124.4	128.7	135.7	126.3	146.2	144.6	106.0	101.22	104	109	122	137	134	129	128
Belly, Derind Belly 9-13#, FOB Plant, USDA	163.9	161.1	165.3	152.4	172.2	179.3	135.7	123.52	141	147	154	167	157	154	157
Belly, Derind Belly 13-17#, FOB Plant, USDA	148.5	156.9	160.4	152.1	175.0	167.1	130.4	124.48	126	133	152	165	151	148	151
Trim, 42% Trim Combo, FOB Plant, USDA	55.2	59.3	85.0	66.0	76.3	51.3	41.5	42.36	40	41	48	51	63	64	64
Trim, 72% Trim Combo, FOB Plant, USDA	95.3	90.3	101.3	87.7	94.7	83.6	88.7	95.49	83	87	89	85	87	96	94
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	119.5	120.8	121.7	122.2	113.9	102.5	105.4	113.57	104	105	110	105	105	111	116
Carcass Cutout, FOB Plant, USDA	98.9	100.0	98.9	94.9	97.0	96.7	89.6	92.31	89	91	91	92	93	96	101
<b>HOG CARCASS</b>															
CME 1-Day Lean Hog Index	90.8	90.0	89.9	84.8	85.0	88.3	83.9	83.95	83	83	84	86	87	90	95
<b>BROILERS</b>															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	131.8	132.1	129.8	131.4	133.2	132.6	133.2	134.08	135	134	132	132	133	135	137
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	172.2	176.1	189.5	191.2	154.0	148.1	148.1	147.57	142	146	145	147	151	168	182
N.E. BROILER BREAST LINE RUN, USDA	106.5	105.6	107.2	107.7	107.3	107.3	106.8	106.87	107	106	108	108	112	115	122
N.E. BROILER LEG QUARTERS, USDA	52.7	52.2	51.9	52.6	51.8	51.6	52.0	51.61	52	52	52	52	52	53	54
N.E. BROILER WINGS, USDA, WT. AVG.	252.7	262.7	243.4	231.9	207.8	189.5	188.7	189.47	181	190	204	220	225	225	230
<b>TURKEYS</b>															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	99.6	93.8	95.3	91.7	100.3	95.8	100.3	75.07	89	88	95	95	100	109	110
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	98.2	97.0	89.6	101.8	103.1	96.9	98.9	75.10	89	88	100	100	105	109	110
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	220.0	220.0	220.0	217.5	199.8	194.5	195.0	204.00	205	199	200	205	210	210	215
<b>LIVE STEERS</b>															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	191.2	195.2	189.8	183.1	187.7	186.9	190.1	191.78	193	192	192	192	195	196	196
<b>BEEF</b>															
CHOICE, 112A, 3, USDA, RIBEYE, BONELESS, HEAVY, WT. AVG.	1064.1	953.8	957.5	1022.9	1165.8	1320.8	1445.7	1543.83	1486	1501	1035	1021	1084	1105	1141
CHOICE, 161, 1, USDA, ROUND, BONELESS, WT. AVG.	356.9	376.1	380.7	374.3	370.0	370.4	371.0	371.00	378	371	385	381	379	370	378
CHOICE, 168, 3, TOP INSIDE ROUND, 1/4" MAX, WT. AVG., USDA	334.3	367.6	365.4	336.2	329.9	308.5	297.0	315.41	315	312	343	346	355	348	354
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	300.9	314.9	318.5	297.8	306.7	304.0	333.9	308.36	313	320	328	319	316	303	309
CHOICE, 180, 3, USDA, STRIP LOIN, BONELESS, 0X1, WT. AVG.	1111.0	906.8	702.8	661.0	740.9	782.4	732.6	713.45	750	745	847	866	969	990	1074
CHOICE, 184, 3, USDA, TOP BUTT, BONELESS, WT. AVG.	528.8	531.8	496.8	453.3	402.8	389.1	394.9	384.94	389	389	455	470	496	507	517
CHOICE, 185A, 4, USDA, BOTTOM SIRLOIN, FLAP, WT. AVG.	725.0	847.5	752.8	656.0	686.6	655.4	626.3	664.89	642	670	740	770	809	851	878
USDA, COARSE GROUND 73%, WT. AVG.	262.8	278.8	282.0	227.2	222.7	217.7	226.2	220.84	231	226	273	251	249	264	280
COARSE GROUND 81%, WT. AVG., USDA	315.3	329.7	336.3	296.3	287.0	245.0	235.8	236.47	242	237	312	311	304	316	339
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	362.6	373.4	374.0	361.3	348.4	329.2	327.2	315.80	310	314	342	352	359	362	366
USDA, 50CL BEEF TRIM, FRESH, NATIONAL, WT. AVG.	87.4	126.9	158.3	102.9	67.4	74.0	69.7	87.42	80	82	109	124	148	164	168

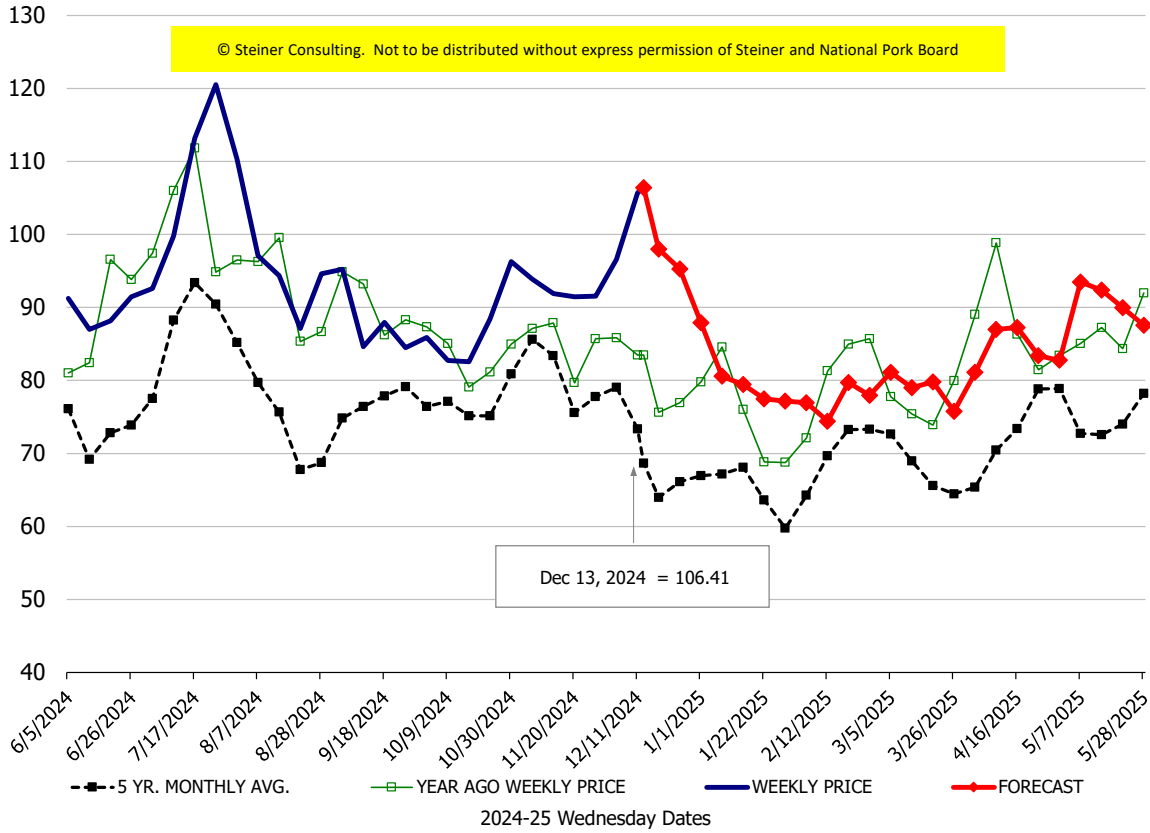
### Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA



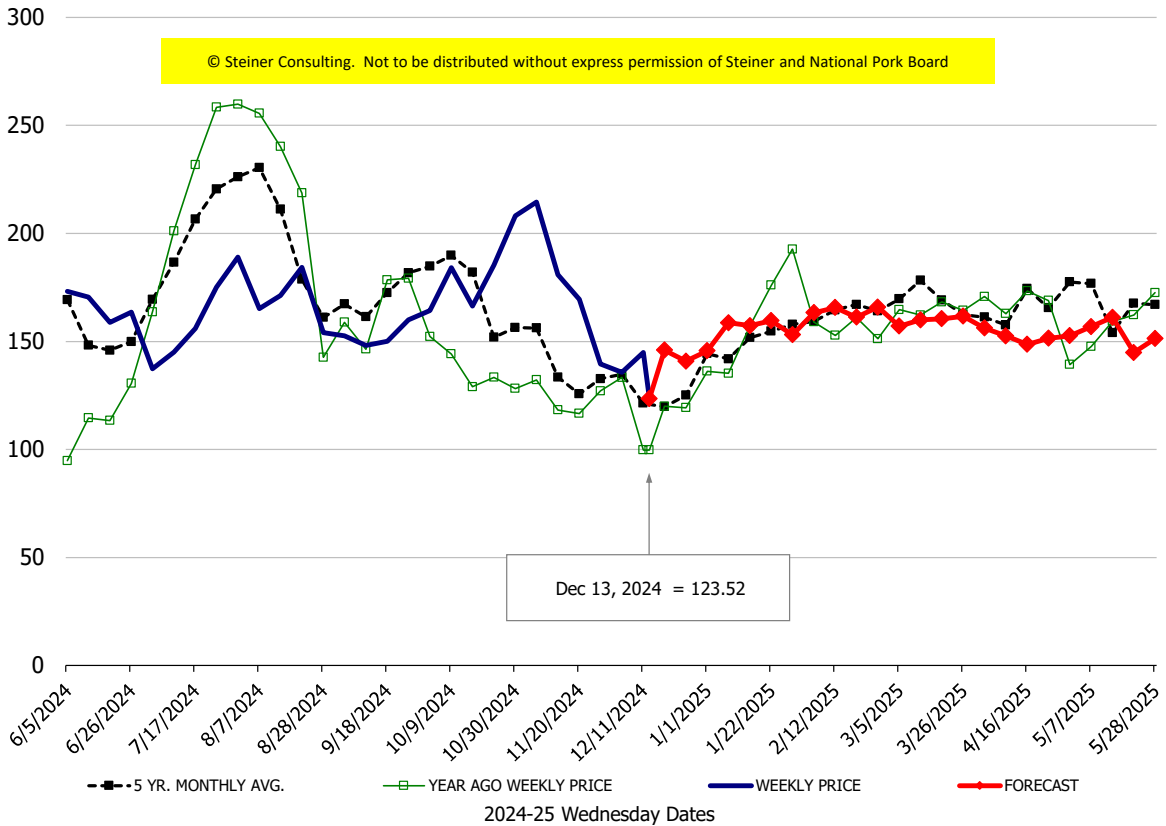
### Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA



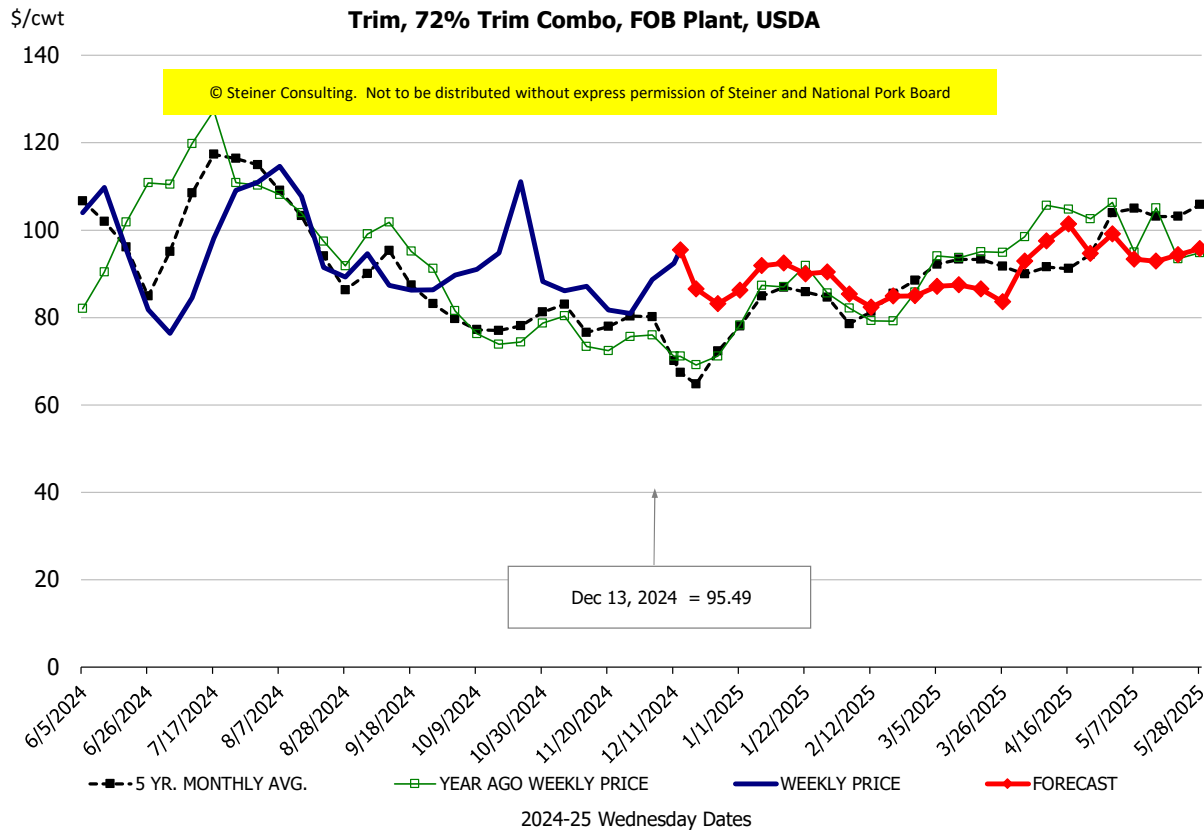
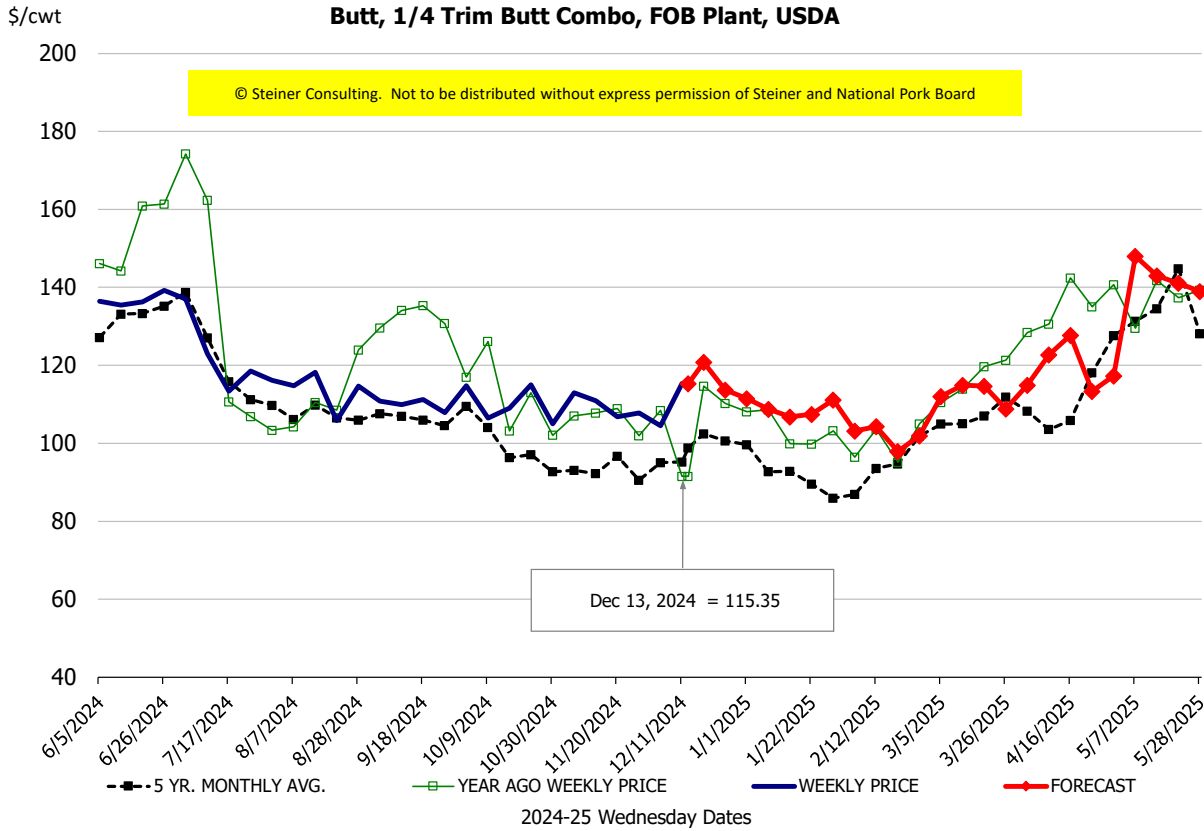
### Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA



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

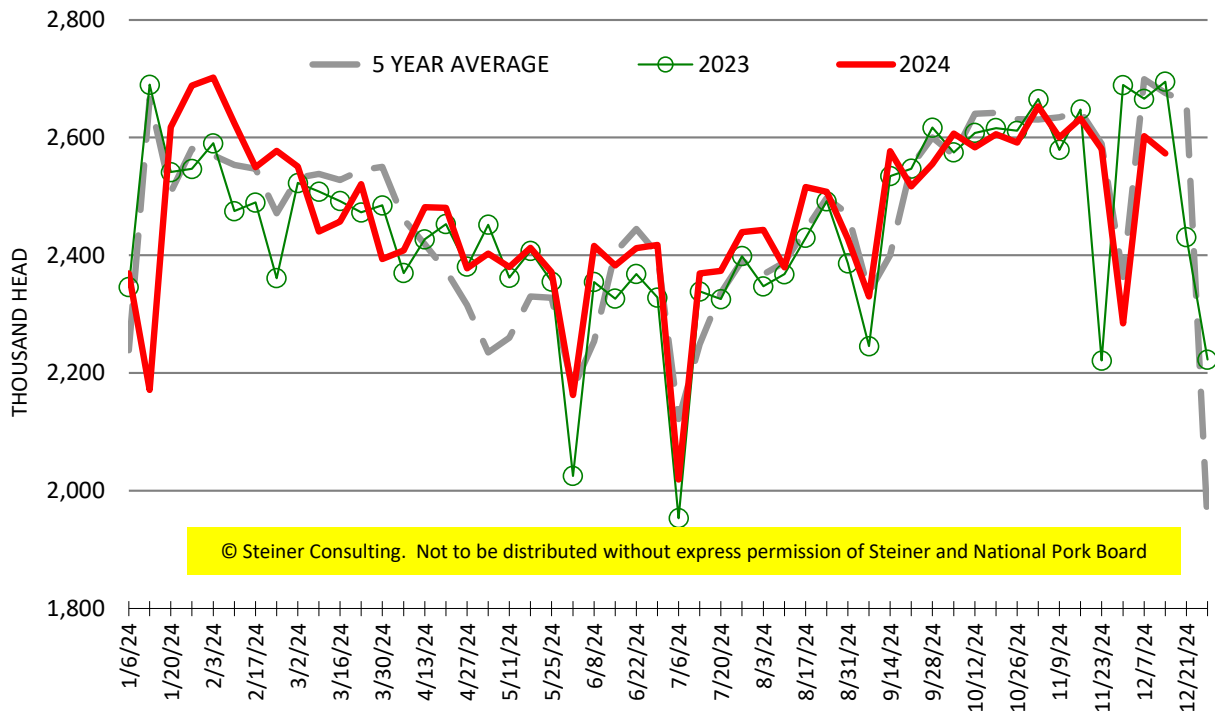






# ESTIMATED WEEKLY FI HOG SLAUGHTER

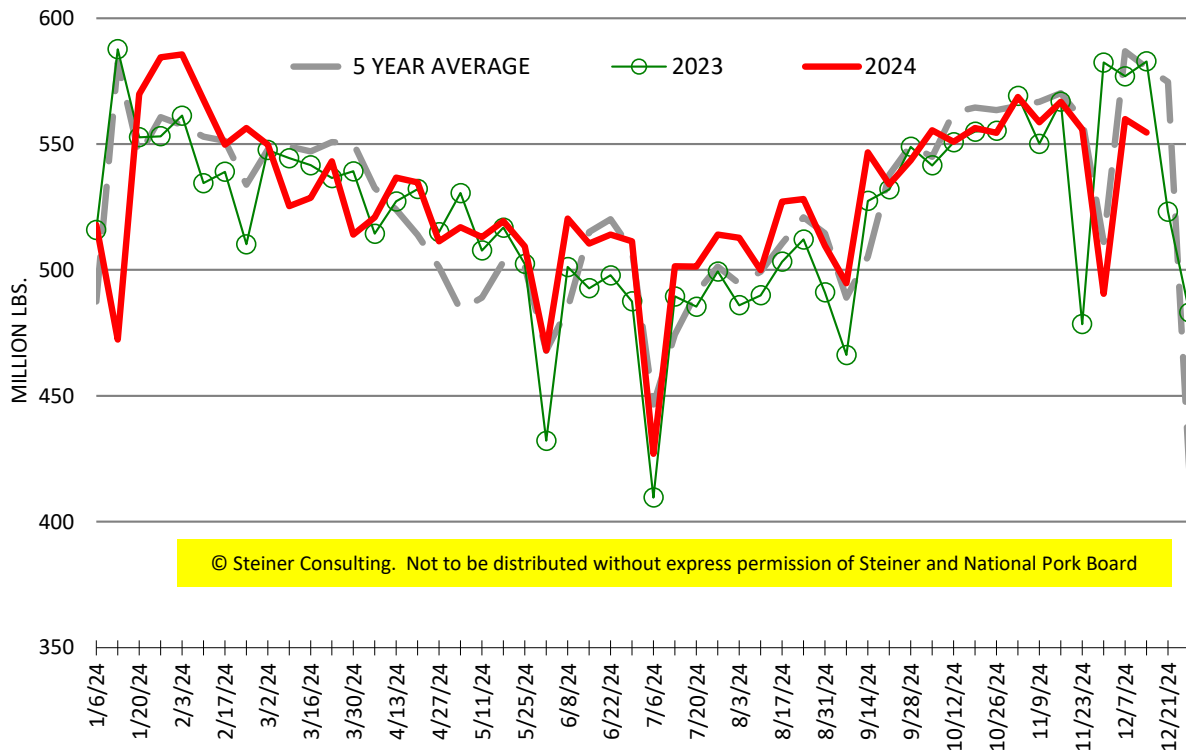
Source: USDA, '000 head



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# ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds



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