



Pork Merchandiser's Profit Maximizer

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

December 30, 2024



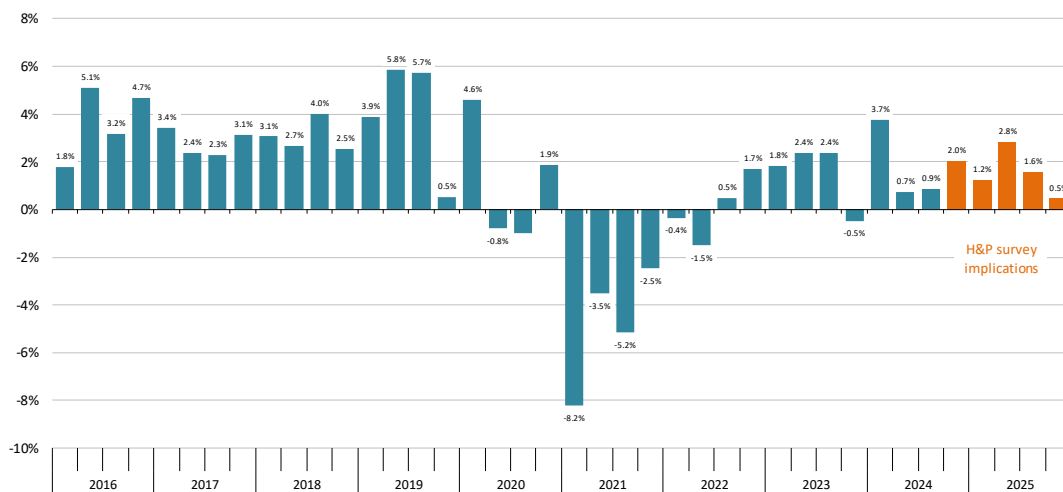
**Steiner Consulting Group and National Pork Board wishes you and your family:
A Healthy and Prosperous New Year!!!**

Hogs and Pigs Inventory

Key Takeaways: At face value the report was bearish, with pork supply in the spring potentially +2.5% higher than a year ago and then the

possibility of +1% or more increase in the summer and anywhere between 2 and 3% increase next fall. Despite this, hog futures have rallied as spot supply is tighter than anticipated. Prices for hams and bellies have gained thanks to the tighter supply, with processors forced to pay up to maintain

Y/Y % Change in Quarterly Pig Crop Data. USDA. Last Four Quarters Are Implied Based on USDA Survey
Data Source: USDA-NASS. Analysis and projections by Steiner Consulting



production schedules. In the short term, we think prices are supply driven. If the report is right about spring, summer and fall supply, however, then demand needs to continue to improve to justify the current price structure.

Supply implications for next six months. The four groups of market hogs offer a supply indication for Dec – May, roughly as follows:

+180 lb. hogs: -0.5%. These are hogs that have come to market so far in December and they will continue to flow into processing plants into the first half of January. Because of holiday and weather disruptions, the weekly y/y comparisons will be skewed but the USDA report suggests that in aggregate slaughter will be only slightly lower. Slaughter in the first two weeks of December, however, was 3.7% lower y/y.

120-179 lb.: -0.6%. These are hogs that should come to market mid to late January through February. The weather disruptions earlier this year will skew the y/y comparisons in the second half of January. Overall, however, the USDA survey suggest February supply only slightly lower.

50-119 lb.: +1.4%. At face value, USDA report suggests that hog slaughter between late February and mid-April should be up about 1.5% y/y. Add to this a possible trend increase of 0.5% in weights and early spring supply could be up as much as 2% y/y. April hog futures are currently near \$90/cwt, implying a cutout value of somewhere around \$95-98/cwt. This would be a bit lower than the cutout that traded in April of this year.

Under 50lb.: +1.2%. These are hogs that should come to market mid-April through the end of May. Again, the USDA survey suggests weekly slaughter during that time above year ago levels and then even more production considering the normal increase in hog weights.

Implications for the second half of the year.

USDA does not provide a pig crop estimate for Dec-Feb, only a farrowing intention. Farrowings for the quarter were pegged at 2.930 million head,

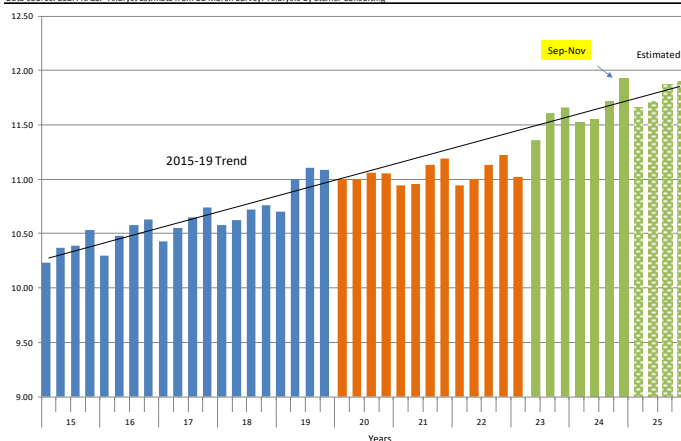
Hogs Kept for Breeding. Quarterly Inventory. '000 Head

Source: USDA-NASS. Analysis by Steiner Consulting



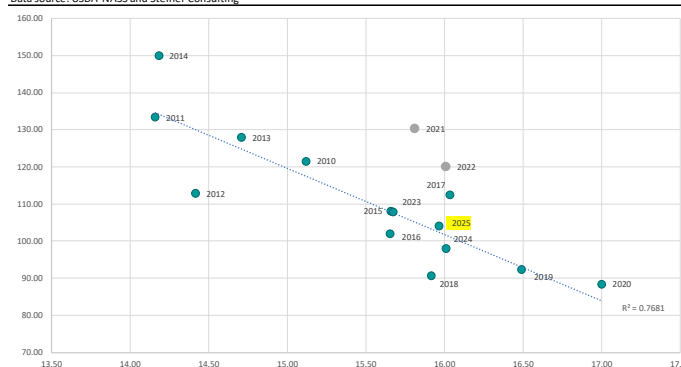
Quarterly Pigs Per Litter: 2015-2019 Trend + Actual for 2020 - 2024 + Estimates Next Four Quarters

Data source: USDA-NASS. Analyst Estimate from UB March Survey. Analysis by Steiner Consulting



Q3 Pork Per Capita Availability on a Carcass Wt. Basis vs. Pork Wholesale Value (Cutout) Inflation Adjusted

Data source: USDA-NASS and Steiner Consulting



about the same as a year ago. If pigs per litter continue to increase by around 1.5% y/y, it implies hog supply next summer will surpass the levels that were available this year. Additionally, the survey also suggests that producers expect farrowings for Mar-May to be up 1.4%. With pigs per litter potentially increasing by 1% or more y/y and heavier weights, the survey would suggest pork supply next fall up as much as 2.5% to 3% higher than in 2024. Again, all this hinges on report

accuracy, which has left much to be desired recently.

If survey is right, better demand needed to justify current futures. We think that the key driver for price performance in Q4 of 2024 was supply, not demand. Currently futures are pricing some lofty expectations for prices next summer even though the USDA survey suggests pork supply will continue to expand. At this point we have opted not to change our supply projections despite the latest report, hence our price forecast of the pork cutout for next year only requires a rather "normal" demand. But if we were to take the survey at face value, then further demand improvement is needed to reach current futures levels, let alone exceed them.

Product Update

Hog Market. For the week ending December 28 hog slaughter was 2.051 million head, down 7.7% 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 84.38 /cwt. on Friday were up \$0.2/cwt since Wed. December 18. Prices are up about 18.8 \$/cwt compared to year ago values.

Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA (page 8). Prices finished last week at \$0.9504, down about 0.3 cents since the Wed. December 18 quote and down about 6 cents from year ago levels.

Bnls. Strap on Pork Loins. Prices finished the week at \$1.3887 for the strap on loins, up 4.8 cents since Wed. December 18 but down 9 cents from the year ago levels. Strap off loins at \$1.6142 are down 1.5 cents since Wed. December 18 and down about 7 cents compared to the year ago quote.

Boneless sirloins at \$1.2839 were up about 2 cents from the Wed. December 18 quote and up about 3.7 cents from the year ago price.

Pork tenderloin finished last week at \$1.7334, up 2 cents since the Wed. December 18 quote and up about 28.0 cents from the year ago price.

1/4 Trim Pork Butts (page 10), prices finished the week at \$1.2676, up 1.1 cents since Wed. December 18. Prices are up 8 cents from a year ago.

Spareribs, Trimmed - LGT, Vac (page 8). Prices finished the week at \$1.4721, down about 11 cents since Wed. December 18 but up about 14 cents from year ago levels.

Rib inventories on November 30 were 78.1 million pounds, up 2.6% from a year ago.

Bone-in Hams

17/20 hams (page 9) price was last quoted at \$1.1502/lb. up 2 cents since Wed. December 18 and up about 37 cents from a year ago.

20/23 hams finished the week at 107.43 cents (page 130) down about 5 cents since Wed. December 18 but up about 28 cents from the year ago level.

23/27 hams finished the week at 101.78 , down about 8 cents from the Wed. December 18 quote but up about 25 cents from the year ago level.

Total ham cold storage stocks on November 30 at 69.3 million pounds were up 20.9% from year ago levels.

42 CL Pork Trim "FOB Basis". Prices finished the week at 38.33 cents, down about 3.1 cents since Wed. December 18 and down about 3 cents from the year ago price.

72 CL Pork Trim "FOB Basis". Prices finished the week at 84.54 cents, down 6.1 cents since the Wed. December 18 quote but up about 13 cents from the year ago levels.

Freezer stocks of all trimmings on November 30 were 44.1 million pounds, down 1.2% from the year ago levels.

72 CL Picnic Meat "FOB Basis". The premium of picnic meat to 72CL trim is currently at 49 cents

compared to 41 cents average in the previous six months.

POULTRY

Whole Broilers

The National Whole Bird price was quoted at 135.91 on Friday, December 27, up about 5 cents from a year ago.

Broiler slaughter for the week ending December 21 was 170.10 million head, up 1.77% from a year ago. For the last two weeks broiler slaughter was up 0.6% vs. a year ago.

Breasts. Prices on boneless skinless breasts finished the week at \$1.4692, down 2 cents since Wed. December 18 but up about 45 cents from year ago levels.

Leg Quarters. Last week leg quarter prices at 51.70 cents per pound prices were up about 0.39 cents vs. two weeks ago and were up 10 cents from a year ago.

Wings. Prices at \$1.8843 are up about 27 cents from year ago levels.

Turkeys

The prices below reflect weekly quoted USDA prices.

Hens finished last week at \$1.0000, down 4 cents since Wed. December 18 but up about 14 cents from the year ago price.

Toms finished last week at \$1.0050, down 4 cents since Wed. December 18 but up about 13 cents from the year ago price.

Total turkey supplies in the freezer on November 30 were down 0.1% from a year ago at 202.9 million pounds. Whole birds were down 9.0% from a year ago with an inventory of 49.3 million pounds.

Turkey slaughter was 3.0410 million head for the week ending December 21, down 7.88% from a year ago. For the last two weeks slaughter has been down 10.50%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at \$2.0600, up since Wed. December 18. Prices are down about 54 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 \$15.0281 (weighted average quote) finished last week down about 85 cents since the Wed. December 18 quote but up about 201 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at \$9.6964 (weighted average quote) finished last week down about 97 cents since the Wed. December 18 quote and down about 26 cents vs. the year ago price.

Currently Choice 112A Rib Eyes are \$5.3317 /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 \$3.2181 for 90CL and \$0.7715 for 50CL product, an 81CL meat block value is now \$2.6676 and a 78CL meat block is \$2.4841. Choice 114, 3 Clods are now being priced 75.18 cents over 81CL meat block grinding values of 90s and 50s. A year ago the spread was 80.82 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 18 but up about 51 cents from year ago levels.

Choice regular #168 insides finished last week quoted at \$3.4157 up about 16 cents since Wed. December 18 and up about 88 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at \$3.4562 up about 20 cents since Wed. December 18 and up about 92 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at \$3.3200 down about one cent since Wed. December 18 but up about 67 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at \$7.8998 (wt. avg.) up about 29 cents from the Wed. December 18 quote. Prices are up 27 cents from year ago levels.

Choice #184 Regular Heavy top butts finished at \$3.9800 (wt. avg.) down about 0 cent since Wed. December 18 and down about one cent from year ago levels.

Choice #184 ¼ inch trimmed Top Butts finished at \$4.0573 (wt. avg.) down about 6 cents since Wed. December 18 but up about 13 cents from the year ago levels.

Choice #185A Flap Meat prices finished Friday at \$7.6640 (wt. avg.) up about 45 cents since Wed. December 18 and up about 112 cents from year ago values.

COARSE GROUND BEEF –

73CL Coarse Ground product finished last week at **\$2.4154 up** about 5 cents since Wed. December 18 and up about 57 cents from year ago levels.

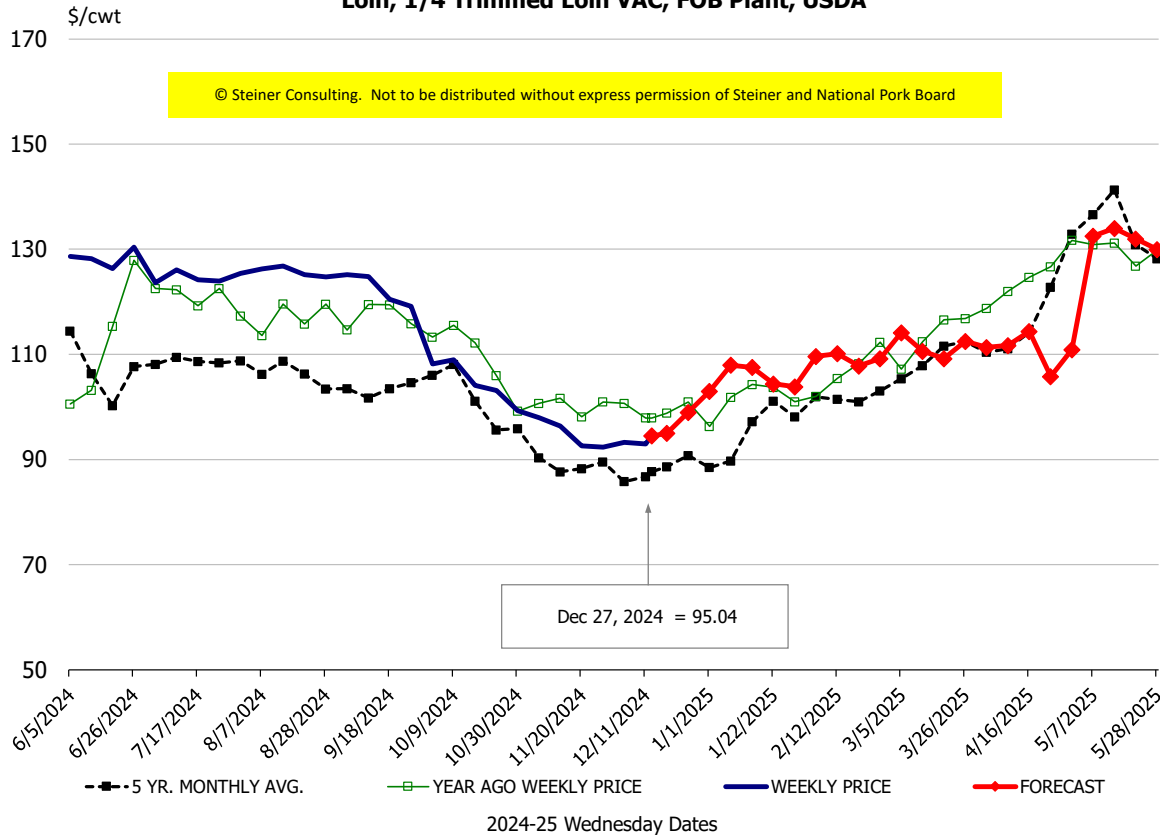
81CL Coarse Ground product finished last week at \$2.6813 up about 23 cent since Wed. **December 18 and up about 43 cents** from the year ago quote.

90CL Bnls. Beef prices finished the week at **\$3.2181 (wt. avg.) up 5.62 cents** since Wed. December 18 and up 67 cents compared to the year ago price quote. **50 CL Beef Trim** prices finished last week at \$0.7715, up about 4 cents since Wed. December 18 and up 26 cents compared to year ago levels.

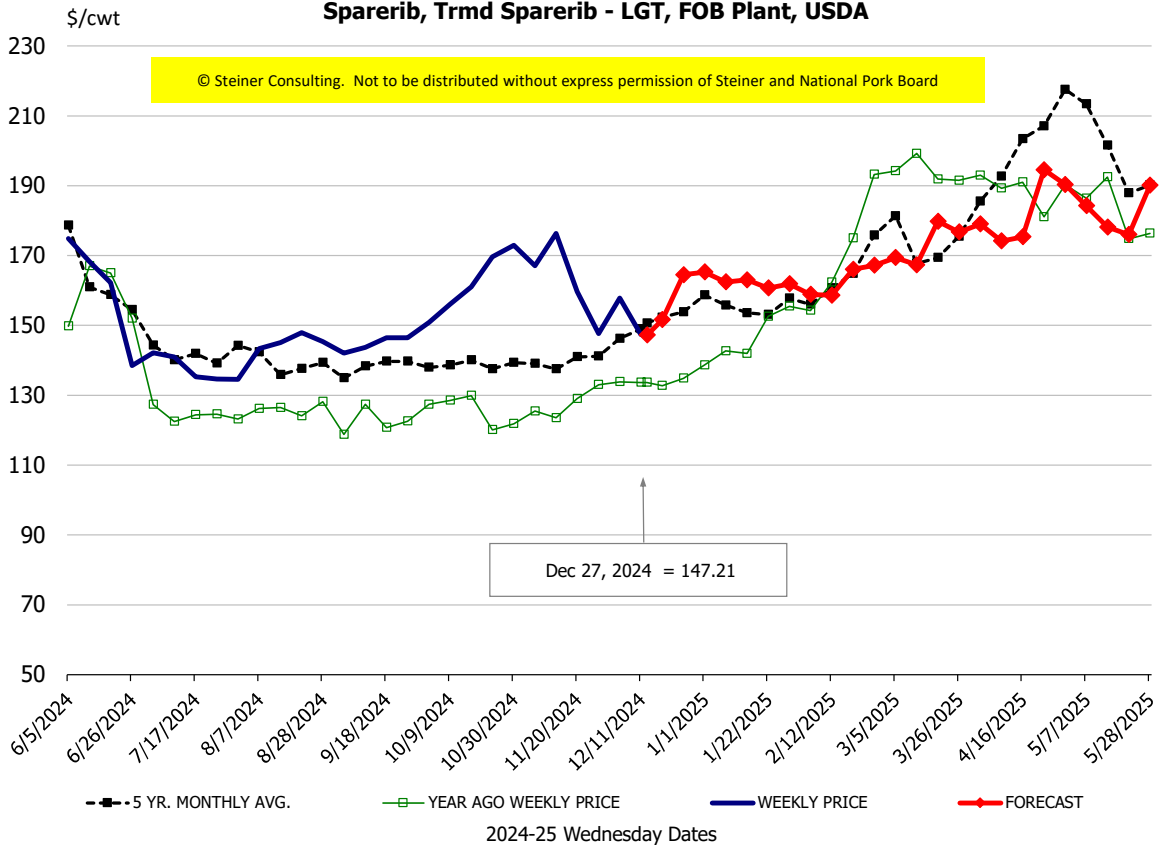
Protein Summary Table - WT. AVE.

	HISTORY								FORECAST						
	Jun	Jul	Aug	Sep	Oct	Nov	12/18/2024	12/27/2024	1/8/2025	Dec	Jan	Feb	Mar	Apr	May
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PORK															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	128.4	124.9	125.5	123.3	105.2	95.0	95.3	95.04	108	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	103.1	102.43	114	102	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	163.0	161.42	171	159	167	166	167	173	180
Loin, Tenderloin, FOB Plant, USDA	176.5	170.2	174.5	180.2	181.2	171.9	171.5	173.34	196	166	192	193	186	191	197
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	133.0	120.7	110.8	109.9	110.3	111.7	119.4	117.83	109	113	109	104	111	121	139
Sparerib, Trmrd Sparerib - LGT, FOB Plant, USDA	170.7	143.8	137.9	144.6	151.8	170.3	157.9	147.21	164	152	163	161	166	179	188
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	270.4	271.2	266.9	241.5	254.3	250.7	264.2	273.70	294	277	294	294	299	303	306
Sparerib, Trmrd Sparerib - MED, FOB Plant, USDA	171.2	145.9	137.7	136.7	152.0	169.3	149.3	146.70	162	152	159	158	161	174	185
Loin, Backribs 2.0#/up, FOB Plant, USDA	260.3	239.9	220.5	218.8	222.2	227.3	225.0	233.62	247	230	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	113.0	115.02	87	112	85	84	90	85	97
Ham, 20-23# Trmrd Selected Ham, FOB Plant, USDA	88.5	106.6	97.4	90.3	88.1	95.1	112.8	107.43	87	105	84	83	88	84	92
Ham, 23-27# Trmrd Selected Ham, FOB Plant, USDA	88.5	111.8	94.5	87.3	86.0	91.2	109.4	101.78	87	103	83	82	86	83	93
Belly Cutout, FOB Plant, USDA	124.4	128.7	135.7	126.3	146.2	144.6	122.4	123.64	134	115	131	141	134	129	128
Belly, Derind Belly 9-13#, FOB Plant, USDA	163.9	161.1	165.3	152.4	172.2	179.3	151.1	171.48	172	153	167	182	170	161	159
Belly, Derind Belly 13-17#, FOB Plant, USDA	148.5	156.9	160.4	152.1	175.0	167.1	150.9	150.72	166	142	161	176	164	155	153
Trim, 42% Trim Combo, FOB Plant, USDA	55.2	59.3	85.0	66.0	76.3	51.3	41.4	38.33	45	41	43	50	56	58	58
Trim, 72% Trim Combo, FOB Plant, USDA	95.3	90.3	101.3	87.7	94.7	83.6	90.6	84.54	93	89	90	86	88	97	97
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	119.5	120.8	121.7	122.2	113.9	102.5	115.9	113.03	104	112	105	100	102	112	116
Carcass Cutout, FOB Plant, USDA	98.9	100.0	98.9	94.9	97.0	96.7	96.4	95.13	93	94	91	92	93	96	101
HOG CARCASS															
CME 1-Day Lean Hog Index	90.8	90.0	89.9	84.8	85.0	88.3	84.2	84.38	85	84	84	86	87	90	95
BROILERS															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	131.8	132.1	129.8	131.4	133.2	132.6	135.7	135.91	133	134	134	134	135	136	137
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	172.2	176.1	189.5	191.2	154.0	148.1	148.4	146.92	150	146	147	148	151	168	182
N.E. BROILER BREAST LINE RUN, USDA	106.5	105.6	107.2	107.7	107.3	107.3	107.1	106.69	109	106	108	108	112	115	122
N.E. BROILER LEG QUARTERS, USDA	52.7	52.2	51.9	52.6	51.8	51.6	51.3	51.70	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	188.8	188.43	210	190	204	220	225	225	230
TURKEYS															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	99.6	93.8	95.3	91.7	100.3	95.8	104.0	100.00	99	95	100	101	103	109	110
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	98.2	97.0	89.6	101.8	103.1	96.9	104.5	100.50	99	95	100	101	104	109	110
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	220.0	220.0	220.0	217.5	199.8	194.5	204.0	206.00	208	202	210	210	215	215	220
LIVE STEERS															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	191.2	195.2	189.8	183.1	187.7	186.9	194.5	194.26	192	193	193	194	195	196	196
BEEF															
CHOICE, 112A, 3, USDA,RIBEYE, BONELESS, HEAVY, WT.AVG.	1064.1	953.8	957.5	1022.9	1165.8	1320.8	1588.0	1502.81	1087	1494	1095	1035	1084	1110	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	396	371	393	384	379	371	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	325.6	345.62	345	323	350	348	355	349	354
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	300.9	314.9	318.5	297.8	306.7	304.0	333.4	332.00	332	331	334	321	316	304	309
CHOICE, 180, 3, USDA,STRIP LOIN, BONELESS, 0X1, WT. AVG.	1111.0	906.8	702.8	661.0	740.9	782.4	761.1	789.98	866	760	863	880	980	1002	1099
CHOICE, 184, 3, USDA,TOP BUTT, BONELESS, WT. AVG.	528.8	531.8	496.8	453.3	402.8	389.1	411.5	405.73	445	399	445	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	721.0	766.40	768	702	761	774	809	853	878
USDA,COARSE GROUND 73%, WT. AVG.	262.8	278.8	282.0	227.2	222.7	217.7	236.8	241.54	256	229	278	252	250	265	280
COARSE GROUND 81%, WT. AVG., USDA	315.3	329.7	336.3	296.3	287.0	245.0	245.5	268.13	306	247	329	313	304	317	339
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	362.6	373.4	374.0	361.3	348.4	329.2	316.2	321.81	344	322	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	73.3	77.15	93	78	109	124	148	164	168

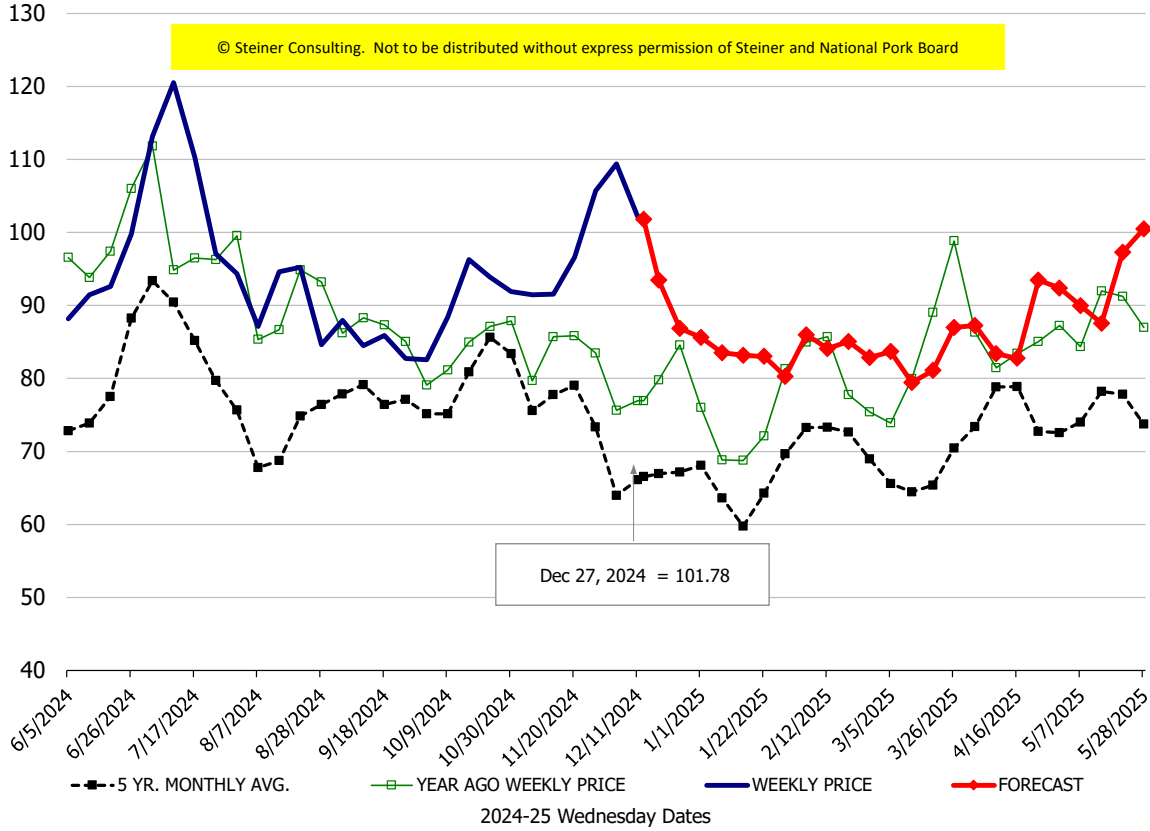
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA



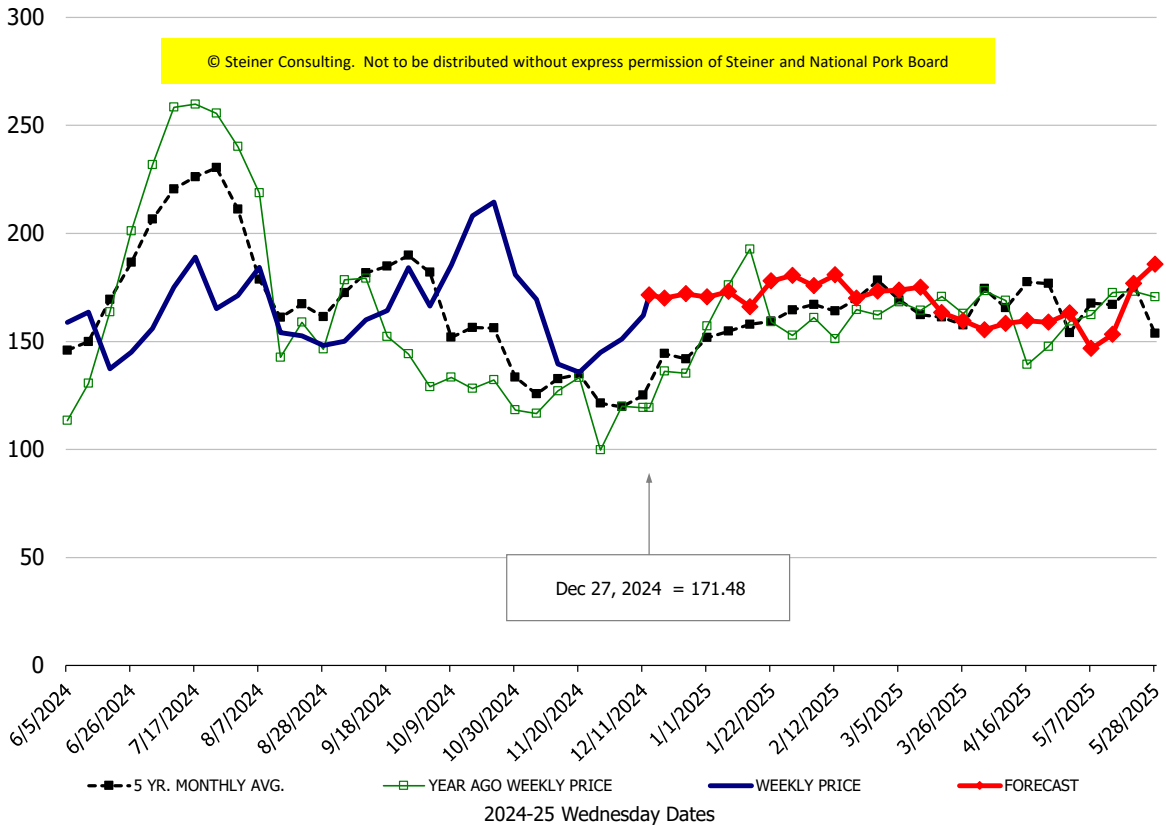
Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA

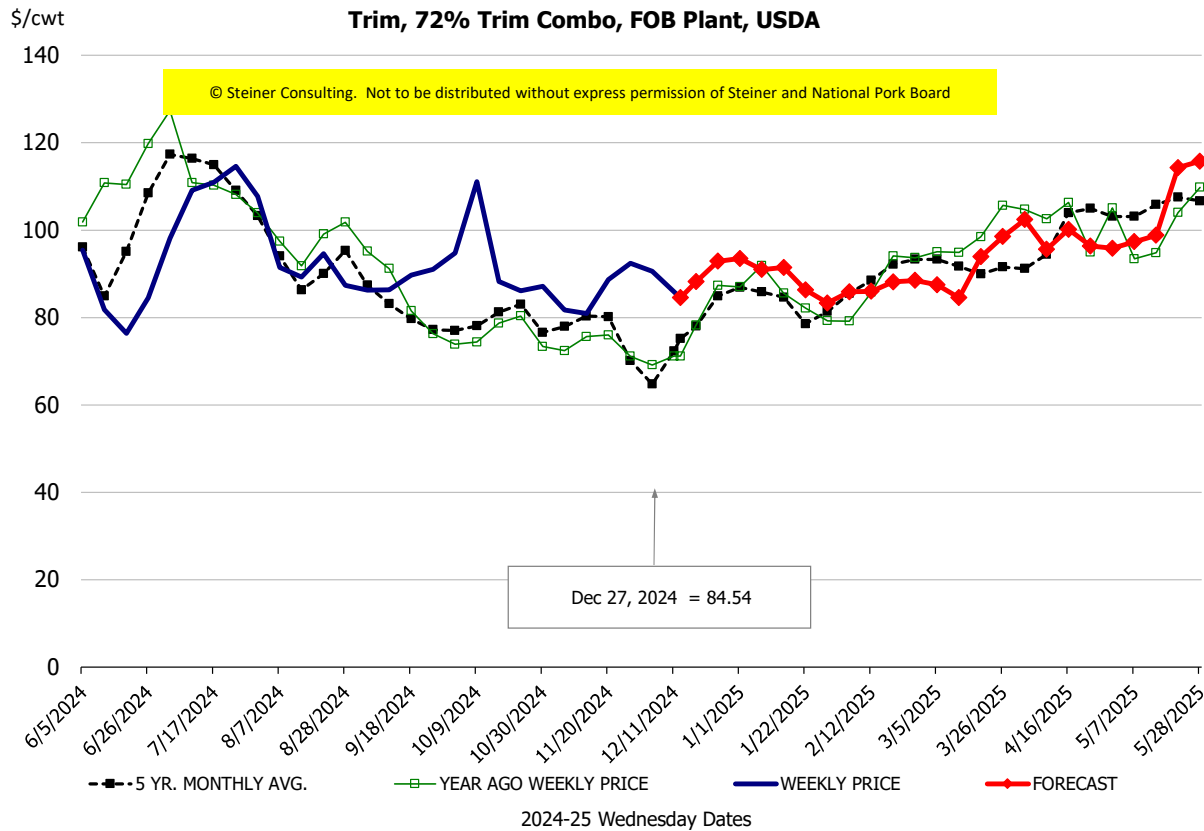
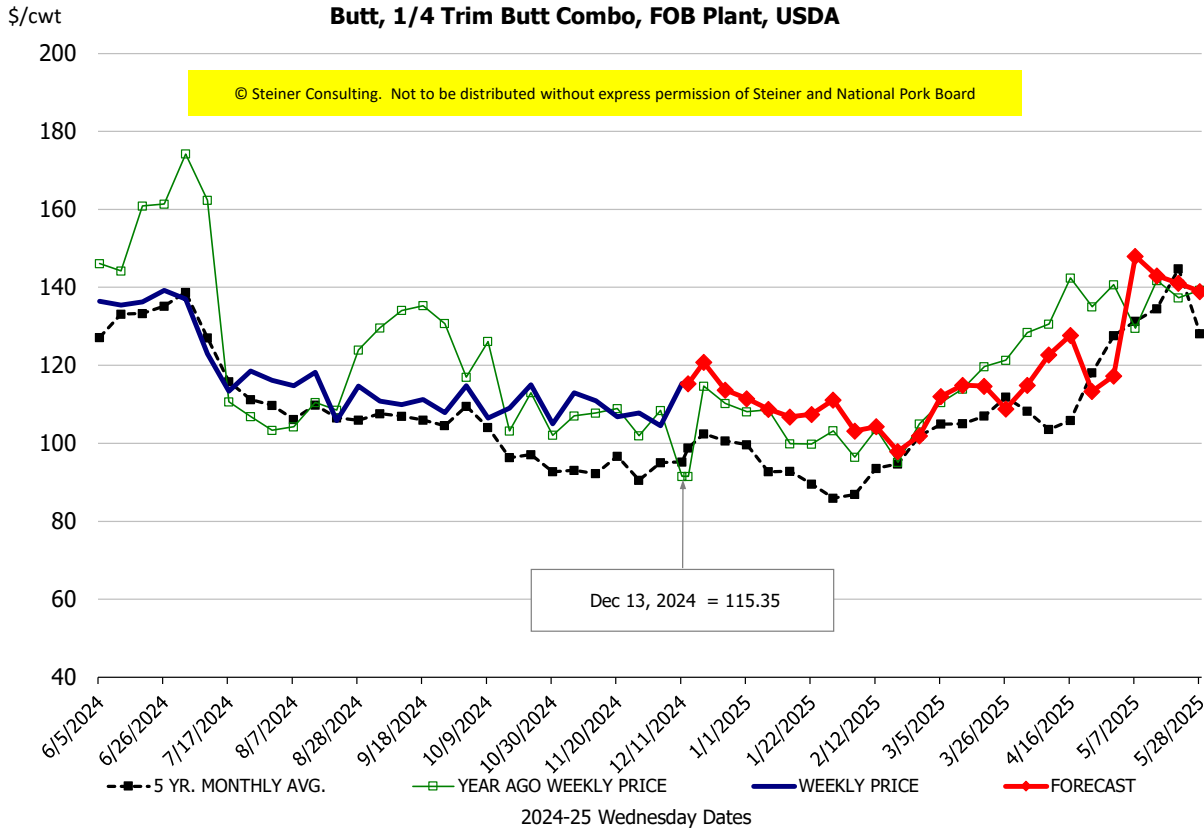


Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA



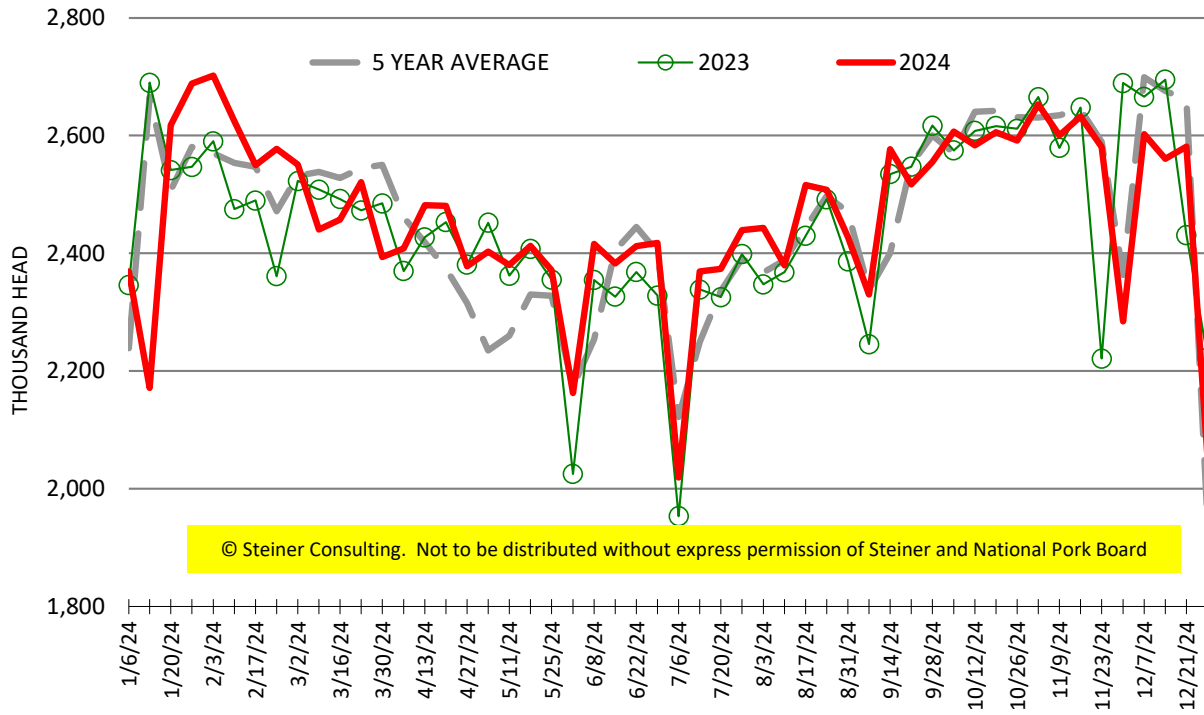
Belly, Derind Belly 9-13#, FOB Plant, USDA





ESTIMATED WEEKLY FI HOG SLAUGHTER

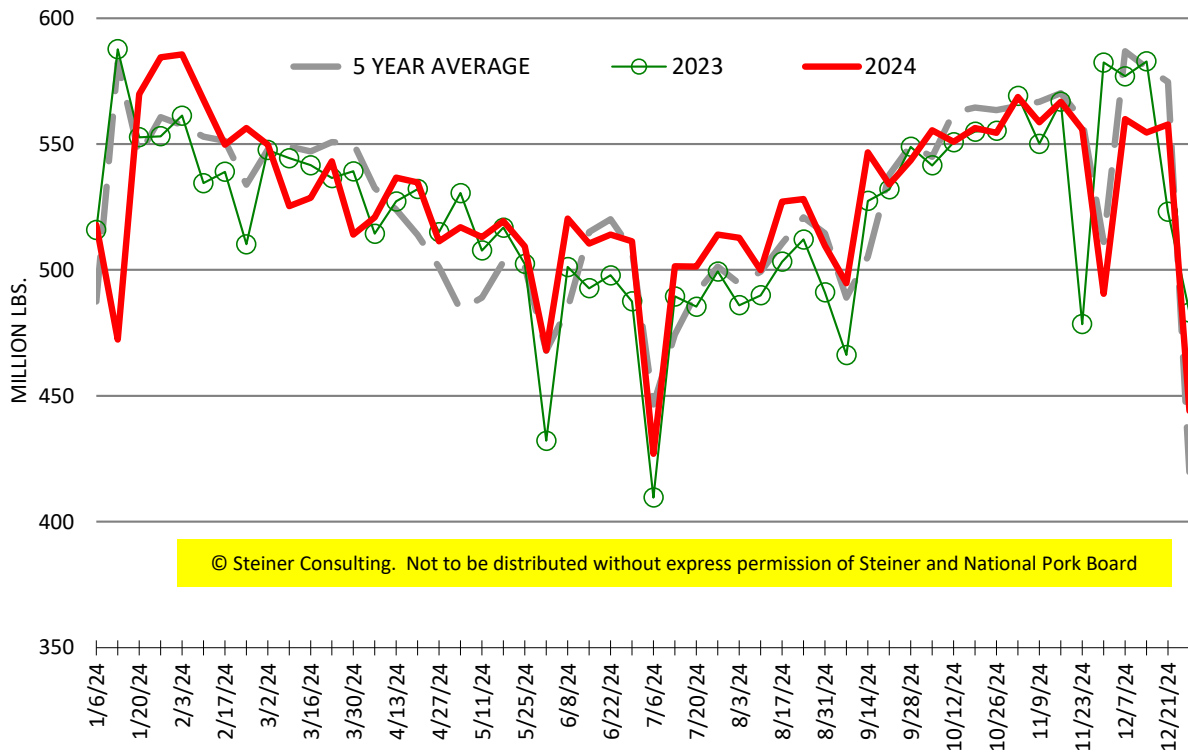
Source: USDA, '000 head



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ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds



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