



# Pork Merchandiser's Profit Maximizer

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

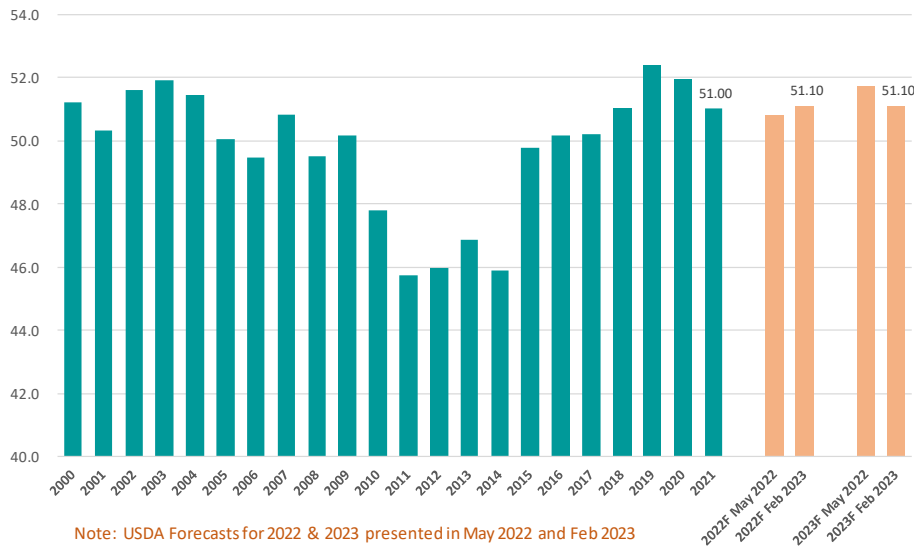
**February 13, 2023**

## **1. Domestic pork supplies remain plentiful, bringing more attention to demand going into the spring.**

USDA has so far been proven correct in estimating Q1 production above the previous year. The rationale for this was that some hogs

### **Per Capita Pork Consumption.** Retail Basis. Lb./pp

Source: USDA-WASDE. Analysis by Steiner Consulting



which would have been slaughtered in Q4 of 2022 were pushed into Q1 due to winter weather disruptions. Current forecast is for **Q1 pork production to be up 1.5%**. As for **Q4 production USDA is holding to its estimate for a 4.3% increase.** The rationale for this is that the comparison to Q4 of 2022 will be skewed by those delayed hog marketings last year. Currently USDA thinks that commercial pork production in 2023 will be 440 million pounds (+1.6%) higher than the previous year. Per capita pork supply in the domestic market is forecast to be unchanged from the previous year at 51.1 lb./pp retail weight. That's because the increase in domestic production is expected to be offset by lower pork imports, currently forecast down 339 million pounds (-25%). Add to this the normal increase in population and per capita supply is unchanged, but on the higher end of the range for the last +20

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years. **Demand will remain the focus for market participants, especially as it appears that so far in Q1 it has been quite underwhelming.** Pork demand in the last two years was stellar but how much of that was due to pent up demand during COVID and high price of competing proteins? Judging by how futures are trading it appears market participants for the moment have made some significant adjustments to their demand expectations for 2023.

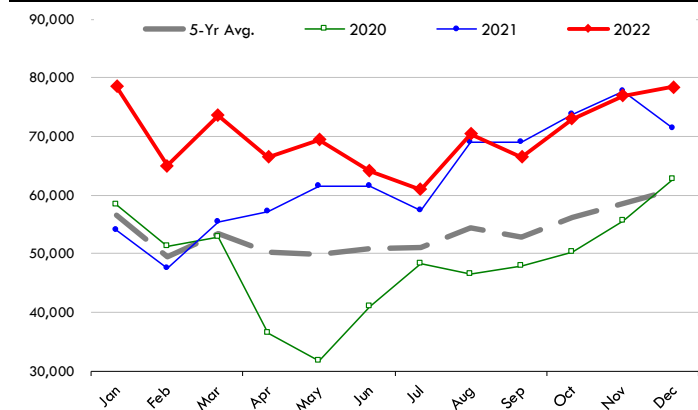
**2. Mexico was a major driver for US pork exports in 2022 and expected to do the**

**US pork exports in December were 190,664 MT (fresh, frozen, cooked), 9,689 MT or 5.4% higher than a year ago.** Mexico has become by far the biggest market for US pork and that was the case in December as well. Shipments to this market were 78,404 MT, 9.7% higher than the previous year, accounting for 41% of all exports. For the year Mexico represented 39% of US pork shipments compared to 31% a year ago. China was a much smaller market for US pork in 2022 than in 2021, with total exports for the year at 196,330 MT, 50% smaller than the year before.

As we noted in our report yesterday, Chinese pork imports in 2022 were down from all countries due to increasing domestic supplies and lower prices in the domestic market. Shipments to China in December were 20,024 MT, up 54%. The hope/expectation is that US pork exports to China will increase in 2023, in part due to incremental growth in US pork supplies but also rising pork prices in the EU. Total US pork exports for 2022 were 2.14 million MT, down 11% compared to a year ago. The value of those exports was \$6.4 billion, down \$463 million or 6.7% compared to a year ago. The value of pork variety meat in 2023 was a little over \$1 billion, 5% higher than the previous year but not enough to make up for the decline in meat

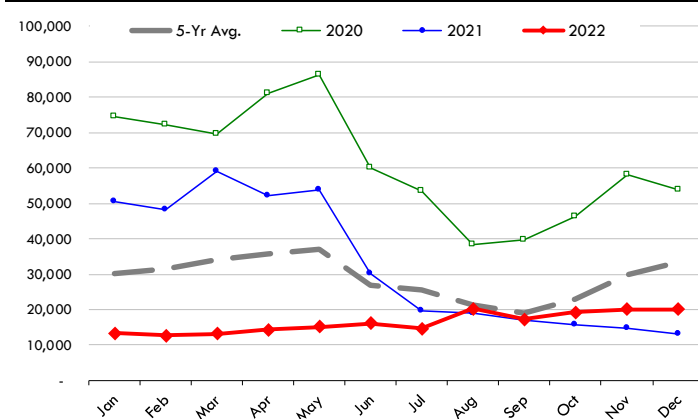
**Quantity of US Exports of Fr/Frz/Cooked Pork: Mexico**

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



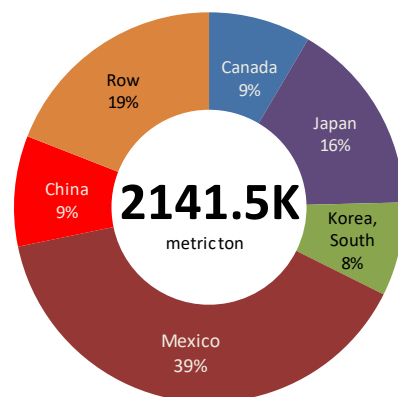
**US Exports of Fr/Frz/Cooked Pork: China**

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



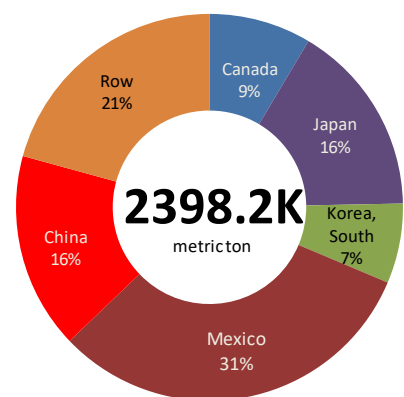
**TOP MARKETS FOR US PORK IN 2022**

Total Volume and Country Shares for Period Jan - Dec 2022, MT



**TOP MARKETS FOR US PORK IN 2021**

Total Volume and Country Shares for Period Jan - Dec 2021, MT



export value. Still, the value of all pork exports in 2023 was some \$824 million higher than in 2019 (pre-COVID).

## PORK

**Hog Market. For the week ending February 11 hog slaughter was 2.498 million head, down 0.6% from a year ago. In the last two weeks hog slaughter is up 2.9% vs. year ago levels.**

**Iowa/Minnesota, Base Negotiated Purchase for Barrows and Gilts.** Lean hog carcass values at about 73.70 /cwt. on Friday were up \$0.8/cwt since Wed. February 1. Prices are down about 14.0 \$/cwt compared to year ago values.

**Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA** (page 8). Prices finished last week at \$1.0278, up about 7.3 cent since the Wed. February 1 quote but down about 27 cents from year ago levels.

**Bnls. Strap on Pork Loins.** Prices finished the week at \$1.3133 for the strap on loins, down 0.75 cent since Wed. February 1 and down 12 cent from the year ago levels. Strap off loins at \$1.4783 are down 0.5 cent since Wed. February 1 and down about 17 cent compared to the year ago quote.

**Boneless sirloins** at \$1.1470 were up about 0.5 cents from the Wed. February 1 quote but down about 7.6 cents from the year ago price.

**Pork tenderloin** finished last week at \$1.6812, down 7 cent since the Wed. February 1 quote and down about 61.5 cents from the year ago price.

**1/4 Trim Pork Butts** (page 10), prices finished the week at \$1.0122, up 1.6 cents since Wed. February 1. Prices are down 10 cent from a year ago.

**Spareribs, Trimmed - LGT, Vac** (page 8). Prices finished the week at \$1.2523, down about 9 cent since Wed. February 1 and down about 49 cents from year ago levels.

Rib inventories on December 31 were 113.6 million pounds, up 41.6% from a year ago.

## Bone-in Hams

17/20 hams (page 9) price was last quoted at \$0.7473/lb. down 1 cents since Wed. February 1 but up about 30 cents from a year ago.

20/23 hams finished the week at 74.34 cents (page 130) down about 0 cent since Wed. February 1 but up about 31 cents from the year ago level.

23/27 hams finished the week at 71.40 , down about 1 cent from the Wed. February 1 quote but up about 24 cents from the year ago level.

Total ham cold storage stocks on December 31 at 53.4 million pounds were down 12.9% from year ago levels.

**42 CL Pork Trim** "FOB Basis". Prices finished the week at 64.70 cents, up about 6.8 cent since Wed. February 1 but down about 3 cents from the year ago price.

**72 CL Pork Trim** "FOB Basis". Prices finished the week at 88.58 cents, up 2.9 cents since the Wed. February 1 quote and up about 1 cents from the year ago levels.

Freezer stocks of all trimmings on December 31 were 53.1 million pounds, up 5.1% from the year ago levels.

**72 CL Picnic Meat** "FOB Basis". The premium of picnic meat to 72CL trim is currently at 19 cents compared to 31 cent average in the previous six months.

## POULTRY

### Whole Broilers

The National Whole Bird price was quoted at 127.03 on Friday, February 11, up about 2.5 cents from a year ago.

Broiler slaughter for the week ending February 11 was 164.50 million head, up 6.31% from a year ago. For the last two weeks broiler slaughter was up 3.0% vs. a year ago.

**Breasts.** Prices on boneless skinless breasts finished the week at \$1.2114, up 7 cents since

Wed. February 1 but still down about 139 cents from year ago levels.

Leg Quarters. Last week leg quarter prices were up about 0.78 cents vs. two weeks ago but at 35.67 cents per pound prices were down 2 cent from a year ago.

Wings. Prices at \$1.0814 are down about 154 cents from year ago levels.

## **Turkeys**

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

Hens finished last week at \$1.6600, down cent since Wed. February 1 but up about 36 cents from the year ago price.

Toms finished last week at \$1.6534, down since Wed. February 1 but up about 35 cent from the year ago price.

Total turkey supplies in the freezer on December 31 were up 14.5% from a year ago at 189.7 million pounds. Whole birds were up 7.8% from a year ago with an inventory of 68.5 million pounds.

Turkey slaughter was 3.7100 million head for the week ending February 4, up 13.28% from a year ago. For the last two weeks slaughter has been up 6.61%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at \$5.5000, down since Wed. February 1. Prices are up about 115 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 \$9.8418 (weighted average quote) finished last week down about 0 cents since the Wed. February

1 quote but up about 148 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at \$8.1477 (weighted average quote) finished last week up about 25 cents since the Wed. February 1 quote but up about 32 cents vs. the year ago price.

Currently Choice 112A Rib Eyes are \$1.6941 /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 \$2.5567 for 90CL and \$1.1487 for 50CL product, an 81CL meat block value is now \$2.2399 and a 78CL meat block is \$2.1343. Choice 114, 3 Clods are now being priced 48.70 cents over 81CL meat block grinding values of 90s and 50s. A year ago the spread was 41.14 cents and the five year average spread for is 38.99 cents over.

Choice #161 Boneless Rounds finished last week at **\$3.2392**, down slightly since Wed. February 1 but up about 32 cents from year ago levels.

Choice regular #168 insides finished last week quoted at \$2.6402 up about 6 cents since Wed. February 1 but down about 10 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at \$2.6520 up about 5 cent since Wed. February 1 and down about 18 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at \$2.5441 up about 0.5 cents since Wed. February 1 but down about 49 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at \$8.1761 (wt. avg.) up about 12 cents from the Wed. February 1 quote. Prices are up 72 cents from year ago levels.

**Choice #184 Regular Heavy top butts** finished at \$3.7003 (wt. avg.) **down** about 14 cents since Wed. February 1 and **down** about 26 cent from year ago levels. **Choice #184 ¼ inch trimmed Top Butts** finished at \$3.8630 (wt. avg.) up about 3 cents since Wed. February 1 and up about 23 cents from the year ago levels.

**Choice #185A Flap Meat** prices finished Friday at \$6.5728 (wt. avg.) up about 6 cents since Wed. February 1 but down about 114 cents from year ago values.

### **COARSE GROUND BEEF –**

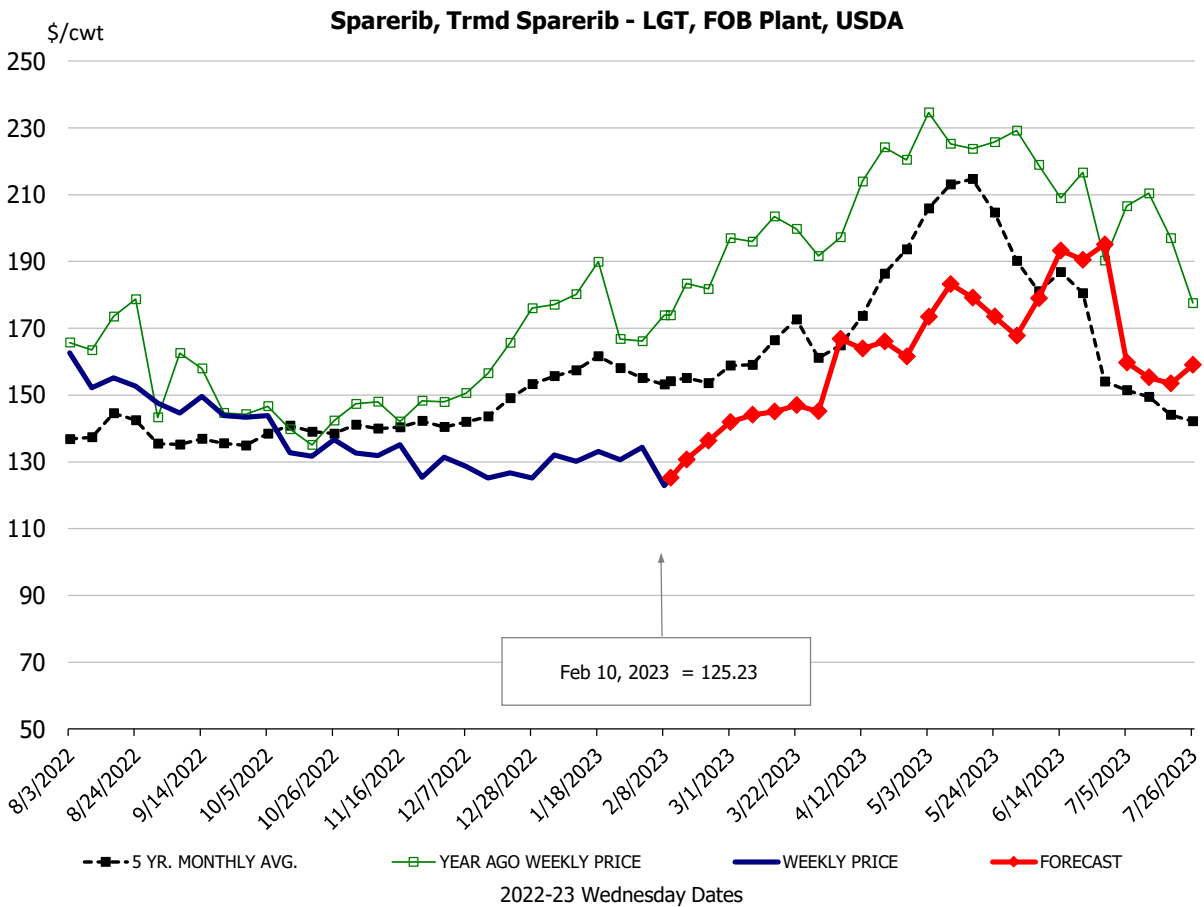
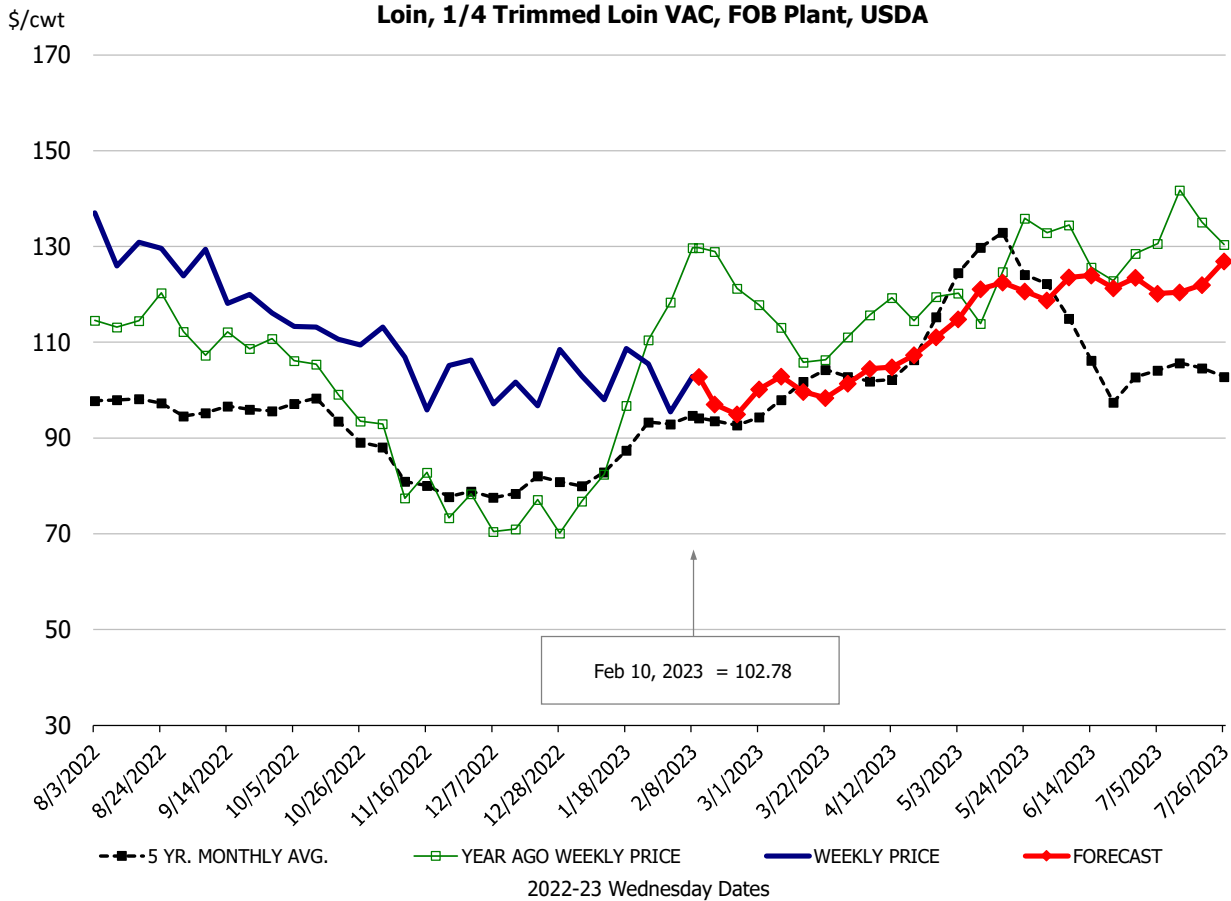
**73CL Coarse Ground** product finished last week at **\$1.6916 down** about 25 cents since Wed. February 1 and down about 89 cents from year ago levels.

**81CL Coarse Ground** product finished last week at \$2.0580 down about 30 cent since Wed. **February 1 and down** about **115** cents from the year ago quote.

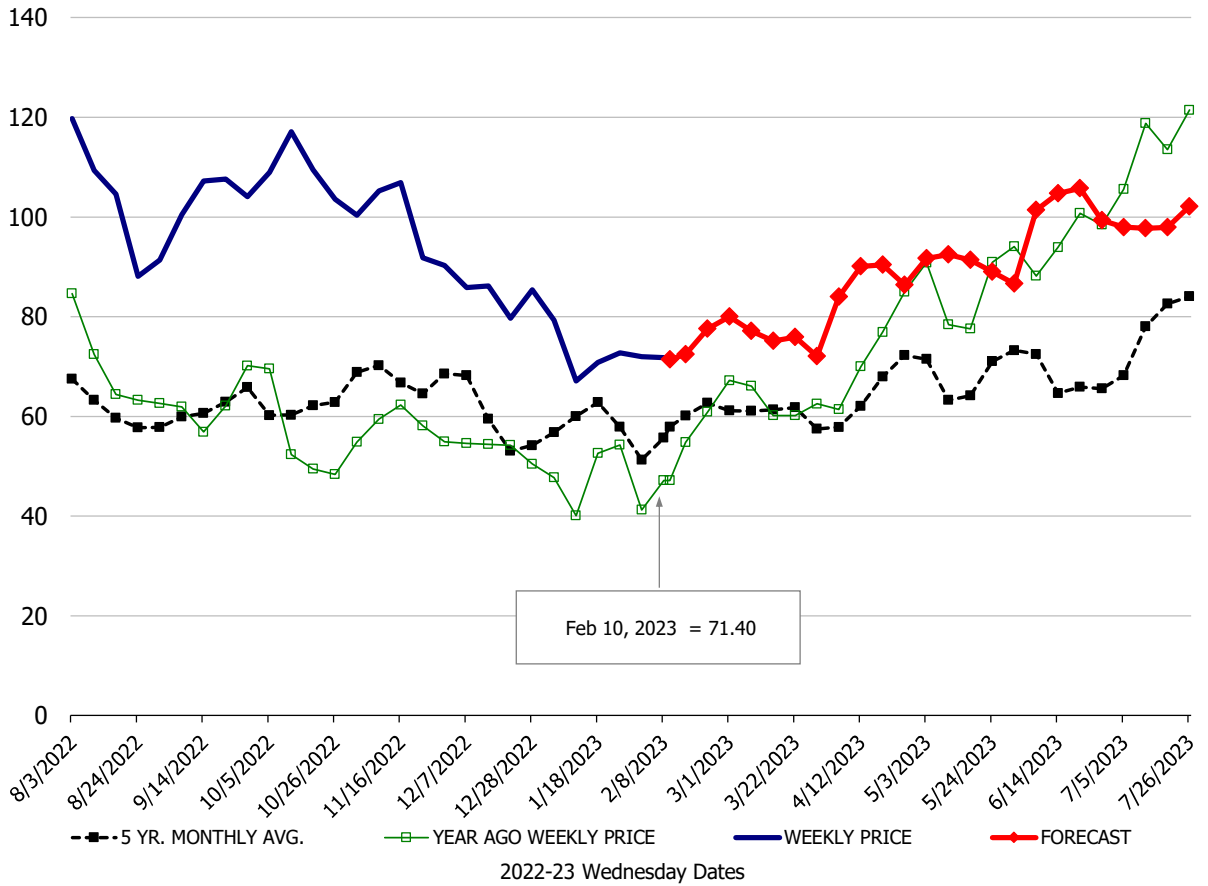
**90CL Bnls. Beef** prices finished the week at **\$2.5567** (wt. avg.) **up 5.71** cent since Wed. February 1 but down 28 cents compared to the year ago price quote. **50 CL Beef Trim** prices finished last week at \$1.1487, up about 3 cent since Wed. February 1 and up 3 cents compared to year ago levels.

# Protein Summary Table - WT. AVE.

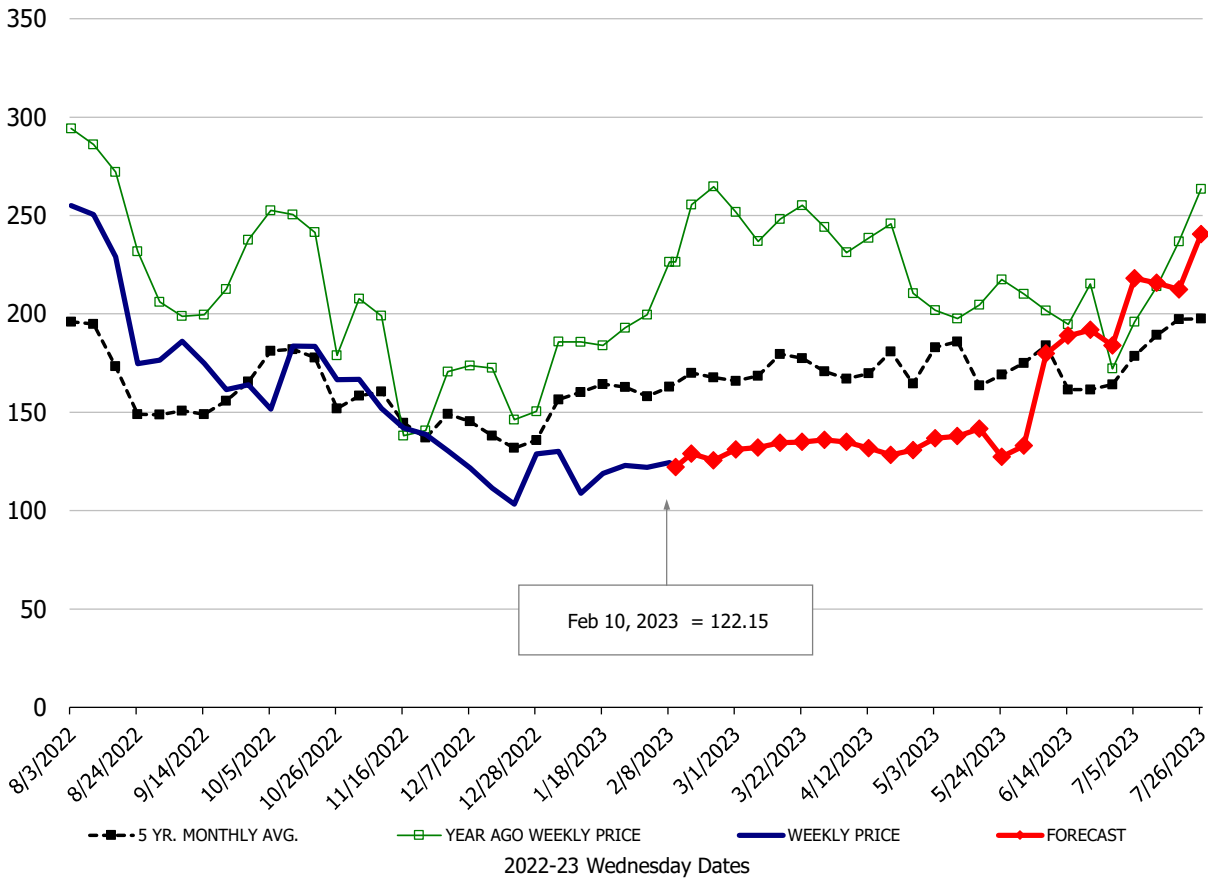
	HISTORY								FORECAST						
	Aug	Sep	Oct	Nov	Dec	Jan	2/1/2023	2/10/2023	2/22/2023	Feb	Mar	Apr	May	Jun	Jul
<b><u>PORK</u></b>															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	126.7	121.0	111.4	104.6	99.8	104.4	95.5	102.78	95	96	100	106	117	123	121
Loin, 1/8 Trimmed Loin VAC, FOB Plant, USDA	130.6	125.3	116.8	106.8	101.7	106.1	99.0	101.85	104	105	107	110	119	125	123
Loin, Bnls CC Strap-off, FOB Plant, USDA	173.6	167.9	159.0	141.0	139.0	144.2	148.3	147.83	144	148	143	151	156	167	155
Loin, Tenderloin, FOB Plant, USDA	206.6	184.8	184.1	165.6	167.1	171.7	175.2	168.12	179	177	180	183	187	210	213
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	137.9	111.8	103.7	100.0	111.7	101.8	93.5	95.38	102	98	108	122	135	132	126
Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA	155.4	144.4	135.3	130.7	126.7	130.7	134.4	125.23	136	130	144	166	177	182	160
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	348.3	295.5	306.6	316.3	290.1	242.9	268.1	251.57	260	252	259	260	295	305	291
Sparerib, Trmd Sparerib - MED, FOB Plant, USDA	151.3	142.5	133.8	129.1	126.0	130.0	129.0	124.56	132	127	139	160	179	184	162
Loin, Backribs 2.0#/up, FOB Plant, USDA	213.9	191.6	182.0	165.3	171.3	180.8	193.7	179.76	193	199	218	236	241	229	229
Ham, 17-20# Trmd Selected Ham, FOB Plant, USDA	103.7	104.4	111.2	104.9	87.9	74.9	75.4	74.73	80	75	80	84	91	98	97
Ham, 20-23# Trmd Selected Ham, FOB Plant, USDA	103.3	103.5	110.4	105.1	85.7	74.4	74.5	74.34	79	76	78	86	92	99	98
Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA	101.9	103.9	107.8	99.6	84.2	72.2	72.0	71.40	78	74	78	86	92	99	98
Belly Cutout, FOB Plant, USDA	191.2	136.4	138.6	116.2	94.8	91.1	88.7	95.78	103	102	105	108	110	143	176
Belly, Derind Belly 9-13#, FOB Plant, USDA	217.2	166.9	171.7	149.1	121.2	119.9	122.0	122.15	126	130	132	133	138	180	217
Belly, Derind Belly 13-17#, FOB Plant, USDA	209.7	157.8	164.7	140.1	112.7	107.8	107.4	113.21	118	121	124	127	125	168	205
Trim, 42% Trim Combo, FOB Plant, USDA	114.8	75.2	71.2	66.5	57.9	58.8	57.9	64.70	64	64	71	78	84	105	110
Trim, 72% Trim Combo, FOB Plant, USDA	125.3	99.3	100.4	102.2	88.8	85.1	85.7	88.58	88	88	91	106	113	129	121
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	137.6	114.8	114.8	110.1	102.9	98.4	87.8	90.37	92	91	98	109	127	139	139
Carcass Cutout, FOB Plant, USDA	117.0	102.9	101.1	93.4	87.2	81.2	79.0	80.18	80	81	85	90	96	104	106
<b><u>HOG CARCASS</u></b>															
CME 1-Day Lean Hog Index	118.3	98.2	93.5	88.0	81.2	75.4	72.9	73.70	76	76	81	86	95	105	106
<b><u>BROILERS</u></b>															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	131.5	124.7	121.9	124.6	123.7	121.8	126.2	127.03	124	125	130	137	146	144	133
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	228.9	184.5	117.7	98.1	96.0	100.6	114.0	121.14	117	124	132	142	163	165	164
N.E. BROILER BREAST LINE RUN, USDA	185.6	159.9	137.2	107.3	104.4	106.1	111.7	115.05	119	122	130	133	140	143	139
N.E. BROILER LEG QUARTERS, USDA	56.3	43.8	37.0	34.2	35.8	34.5	34.9	35.67	36	37	40	42	44	46	44
N.E. BROILER WINGS, USDA, WT.AVG.	128.4	117.3	109.2	98.9	89.1	91.2	102.2	108.14	107	109	108	105	105	108	114
<b><u>TURKEYS</u></b>															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	163.4	169.5	179.6	175.9	172.4	171.8	167.0	166.00	164	165	157	147	149	151	154
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	162.9	167.9	177.7	178.0	171.0	171.8	167.1	165.34	164	165	157	147	149	151	154
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	665.0	670.0	670.0	670.0	670.0	662.5	610.0	550.00	519	530	480	450	433	437	434
<b><u>LIVE STEERS</u></b>															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	144.3	143.6	147.3	153.2	156.0	157.0	157.4	158.24	158	158	161	164	160	159	157
<b><u>BEEF</u></b>															
CHOICE, 112A, 3, USDA,RIBEYE, BONELESS, HEAVY, WT.AVG.	918.4	889.5	915.8	1039.4	1145.8	1028.2	984.5	984.18	919	941	977	1017	1051	1072	959
CHOICE, 161, 1, USDA,ROUND, BONELESS, WT. AVG.	288.1	296.0	304.4	306.7	310.8	317.4	325.8	323.92	327	320	308	305	298	307	314
CHOICE, 168, 3, TOP INSIDE ROUND, 1/4" MAX, WT. AVG., USDA	274.8	273.8	267.6	250.9	239.8	268.6	260.5	265.20	270	264	277	283	282	287	295
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	254.0	276.3	294.2	251.5	249.3	258.6	254.4	254.41	292	276	264	260	260	267	277
CHOICE, 180, 3, USDA,STRIP LOIN, BONELESS, OX1, WT. AVG.	792.4	637.7	562.7	563.7	572.8	752.4	805.6	817.61	837	803	836	864	954	916	775
CHOICE, 184, 3, USDA,TOP BUTT, BONELESS, WT. AVG.	366.6	357.4	340.7	349.2	354.4	375.5	383.1	386.30	413	386	418	438	428	413	423
CHOICE, 185A, 4, USDA,BOTTOM SIRLOIN, FLAP, WT. AVG.	772.4	604.4	535.7	523.5	529.5	581.8	651.2	657.28	668	649	685	776	784	734	696
USDA,COARSE GROUND 73%, WT. AVG.	172.9	164.1	158.2	150.6	145.2	198.3	193.9	169.16	182	176	184	192	198	196	187
COARSE GROUND 81%, WT. AVG., USDA	239.2	219.8	208.4	207.4	193.0	237.0	235.4	205.80	229	220	232	241	250	251	244
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	266.6	263.5	252.8	241.8	238.5	246.2	250.0	255.67	263	254	265	280	288	296	303
USDA, 50CL BEEF TRIM, FRESH, NATIONAL, WT. AVG.	104.1	98.6	71.4	73.0	86.6	108.3	111.5	114.87	128	114	129	140	142	136	127



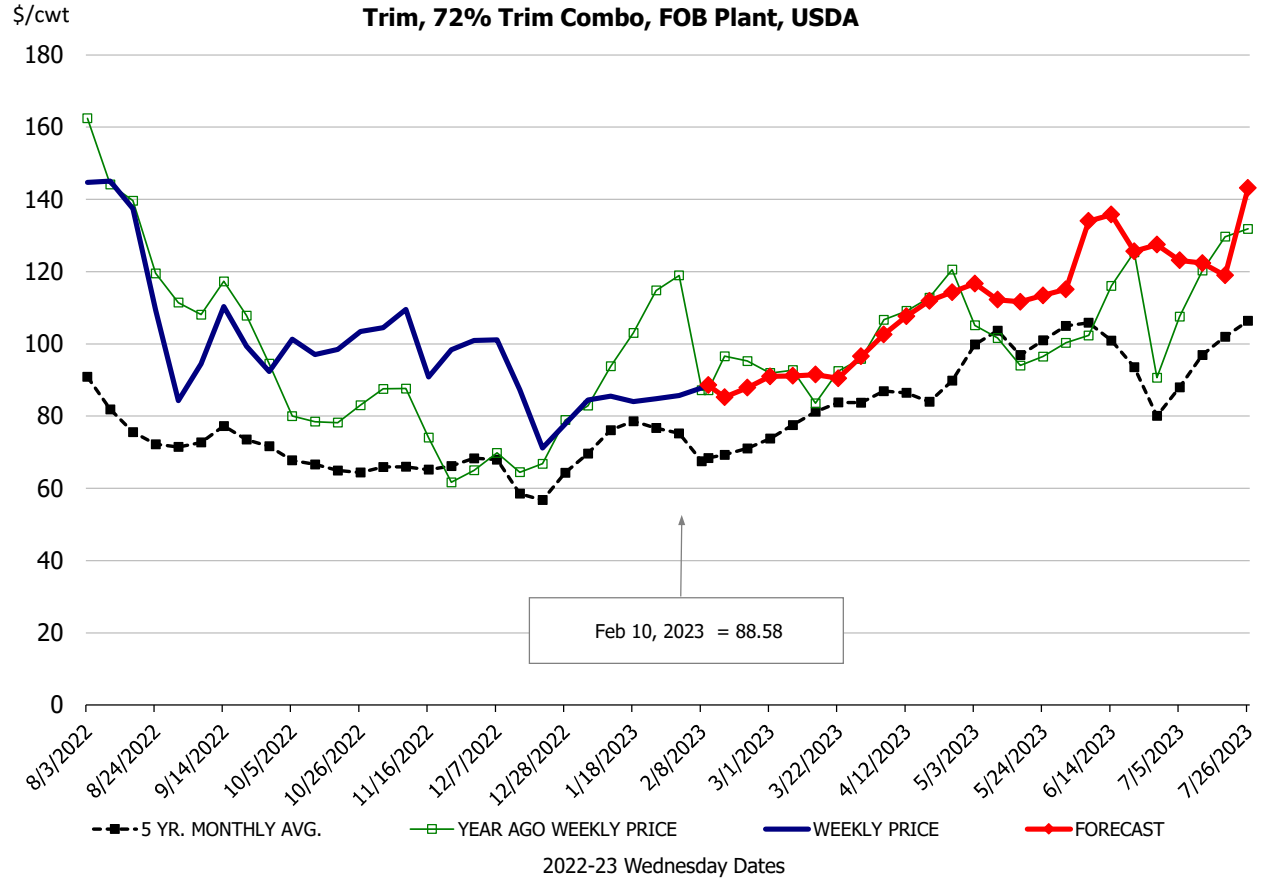
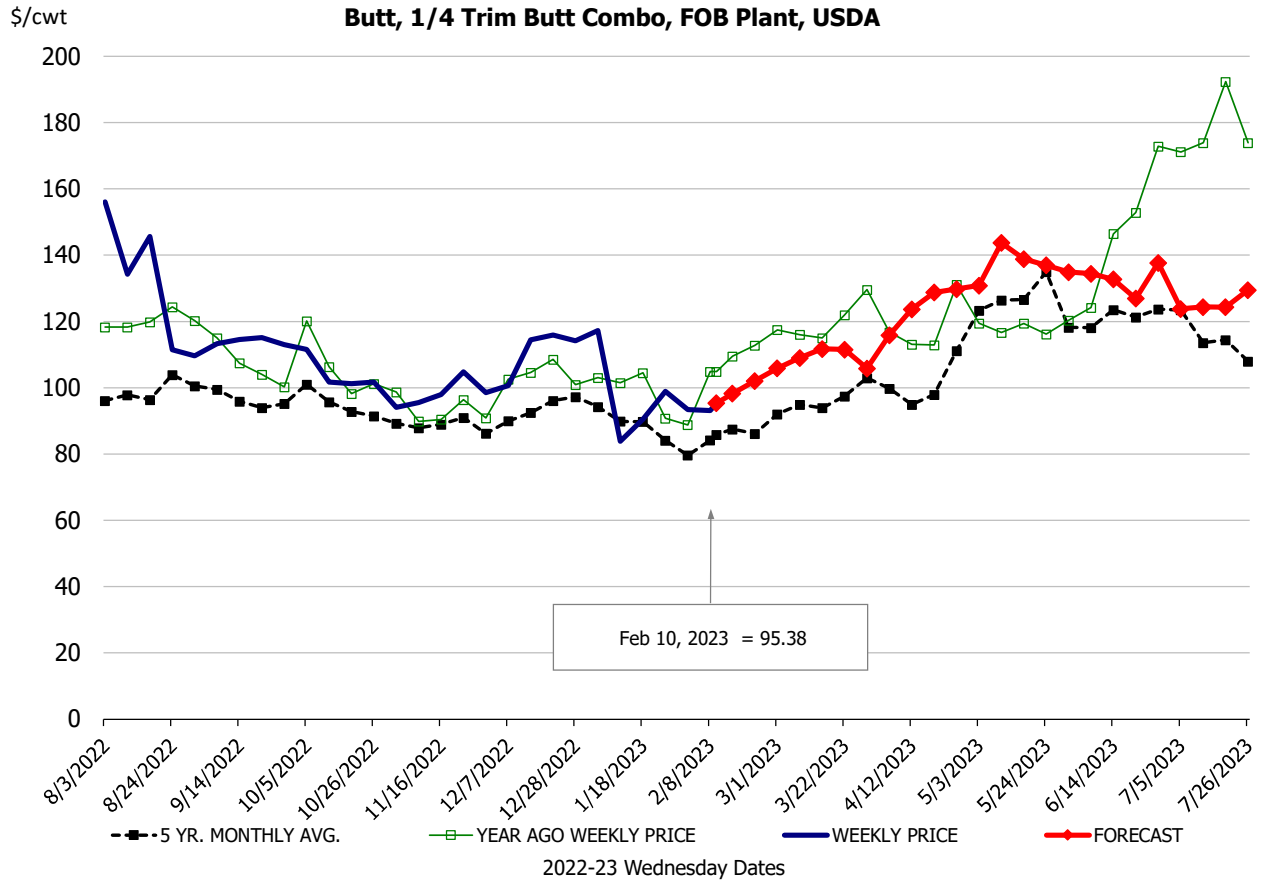
**Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA**



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

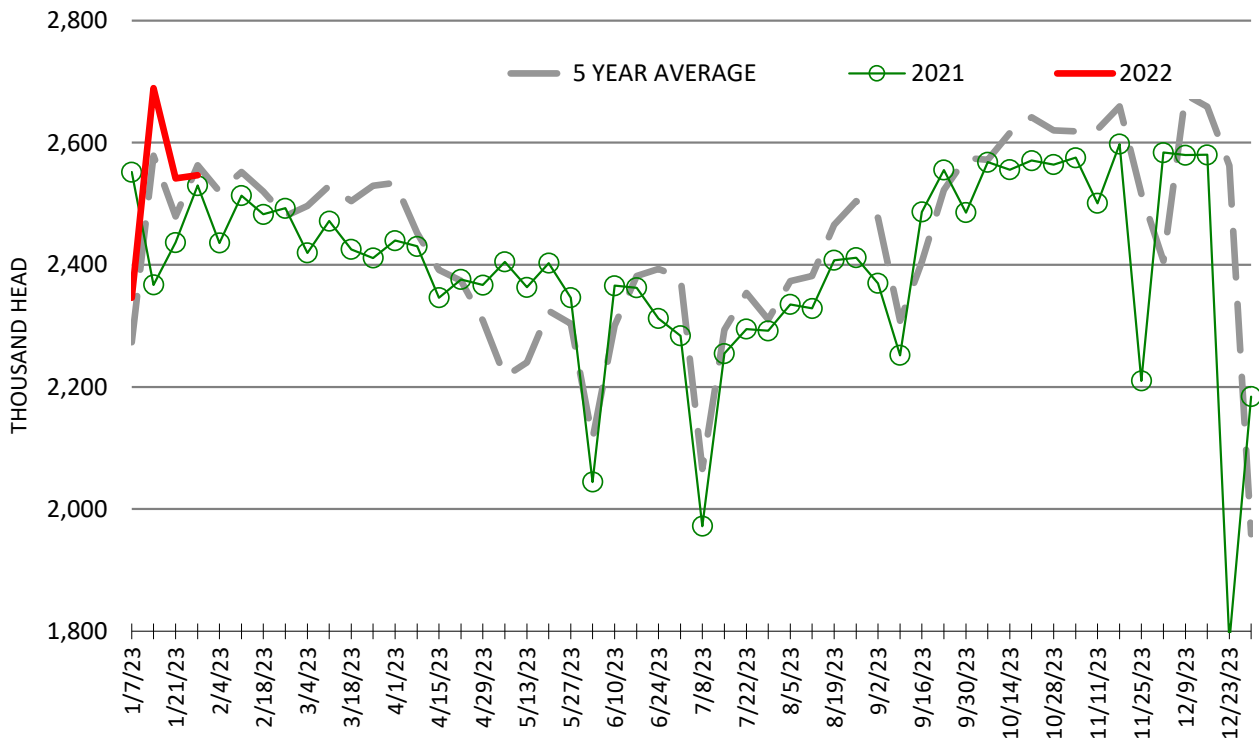






# ESTIMATED WEEKLY FI HOG SLAUGHTER

Source: USDA, '000 head



# ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds

