



Pork Merchandiser's Profit Maximizer

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

May 20, 2024

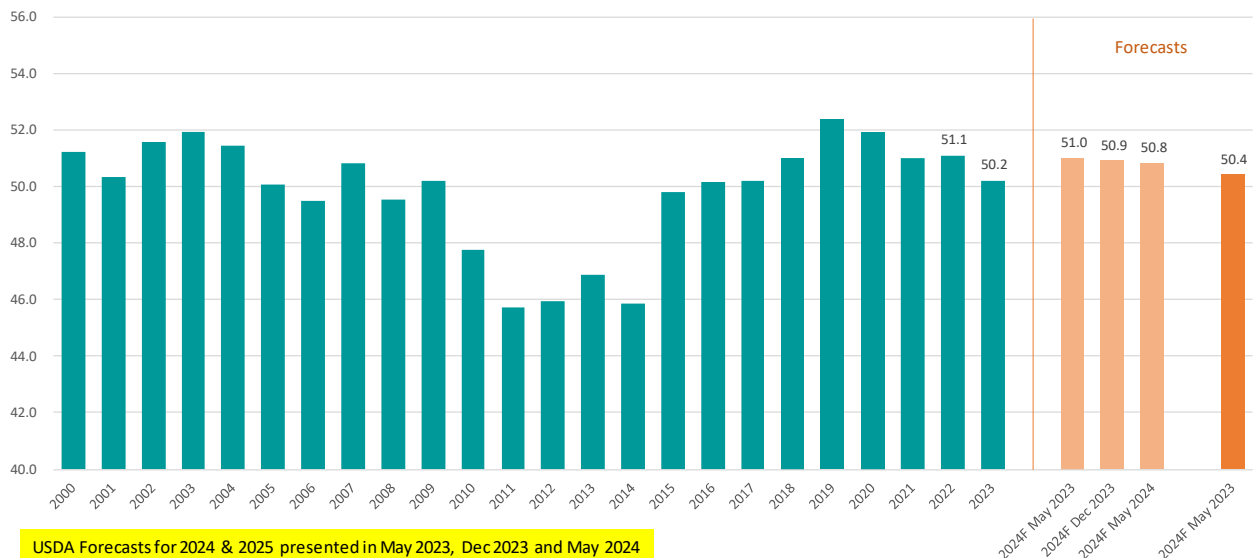
1. Domestic pork supply expected to remain stable, offer retailers and foodservice operators the ability to manage features and menu prices.

USDA projections of beef production have been off due to the inherent uncertainty about the timing of herd rebuilding. But it has been far more successful in projecting beef production and

coming up with a per capita availability number for pork in 2024. While the availability forecast for 2024 has been revised slightly in the last 12 months, it is still expected to be up 1.2% compared to 2023. **USDA is currently forecasting US pork production for 2024 to be 28.079 billion pounds, 761 million pounds (+2.8%) vs. a year ago.** Much of this y/y increase (642 million pounds) is expected to happen in the second half of the year.

US Domestic Per Capita **Pork Disappearance** (Consumption). Retail Basis. Lb./pp

Source: USDA-WASDE. Analysis by Steiner Consulting



USDA Forecasts for 2024 & 2025 presented in May 2023, Dec 2023 and May 2024

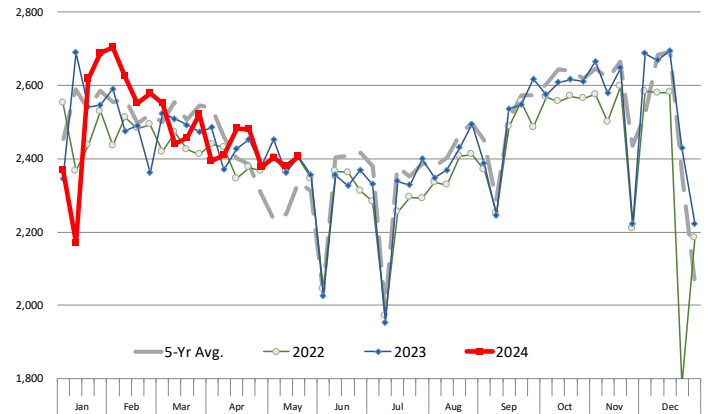
Q3 production is forecast up 5.1% and Q4 is forecast up 4.4%. One thing to consider when we look at the y/y comparisons is that both Q3 and Q4 have one more marketing day than a year ago. If we adjust for the extra marketing day, production would be up 3.4% and 2.7% in those two quarters. The pig crop for Dec-Feb was 1.9% higher than a year ago, which might support the view for slaughter during Q3 to be up near 2%. Hog weights in Q3 of 2023 were down 1.5% and they were down 0.6% in Q4. USDA is likely projecting weights to return to pre-2023 levels, which would explain that lofty production forecast. As for 2025, the initial forecast is for pork production to increase 336 million pounds (+1.2%) and per capita availability to stay above 50 pounds, near the long-term trend.

2. Near term supply based on March ‘Hogs and Pigs’ report

Hog slaughter continues to trend seasonally lower and should be even lower in June and July. Last week at 2.404 million head slaughter was almost the same as a year ago. In the last four weeks, slaughter has been a total of 9.564 million head, just 37k head (-0.4%) lower than last year. Since the first week of March, hog slaughter has been 0.2% lower than a year ago. This is very much consistent with the latest USDA ‘Hogs and Pigs’ survey, which had the total inventory of hogs over 120 pounds slightly lower than a year ago. Those are hogs that have been coming to market between early March and last week. Will the survey continue to hold for Jun-Aug? The inventory of market hogs under 120 pounds on March 1 was estimated up 1.5% vs. a year ago. The pig crop for Dec-Feb was estimated up 1.9% y/y. Both these estimates tell us we should expect more hogs. In June of 2023 weekly slaughter averaged 2.345 million head/week (4 weeks) and in July the numbers weren't much different at 2.353. The March survey says we should expect weekly slaughter this year for June and July to be somewhere around 2.38-2.39 million head/week. Short holiday weeks will create some volatility so it’s good to keep that in mind. Going into a short slaughter week the tendency is for cutout values

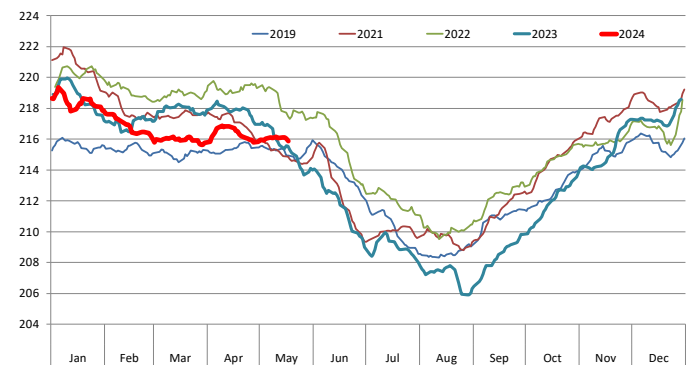
WEEKLY HOG SLAUGHTER. '000 HEAD

Source: USDA. Analysis by Steiner Consulting



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

Based on Daily MPR Report, LM_HG201. Data through May 16, 2024. Analysis by Steiner Consulting



to be higher earlier in the week as market participants look to get their needs covered/delivered early. Don’t forget to pay close attention to weights. The attached chart is our daily tracking of average barrow/gilt weight reported in the MPR system. It tends to function better during this time of year than the initial USDA estimate we show on page 2. Last year hog carcass weights, especially weights of producer owned hogs, started to decline in mid-April and were sharply lower in June. So far weights have been stable and if they trend above year ago, it could add more pounds in addition to the expected higher slaughter.

PORK

Hog Market. For the week ending May 18 hog slaughter was 2.404 million head, down 0.1% from a year ago. In the last two weeks hog slaughter is up 0.5% vs. year ago levels.

Iowa/Minnesota, Base Negotiated Purchase for Barrows and Gilts. Lean hog carcass values at about 92.24 /cwt. on Friday were up \$1/cwt since Wed. May 8. Prices are up about 13.8 \$/cwt compared to year ago values.

Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA (page 8). Prices finished last week at \$1.3035, down about 0.5 cents since the Wed. May 8 quote but up about 24 cents from year ago levels.

Bnls. Strap on Pork Loins. Prices finished the week at \$1.6387 for the strap on loins, up 2.5 cents since Wed. May 8 and up 33 cents from the year ago levels. Strap off loins at \$1.8465 are up one cent since Wed. May 8 and up about 31 cents compared to the year ago quote.

Boneless sirloins at \$1.2996 were up about one cent from the Wed. May 8 quote and up about 9.6 cents from the year ago price.

Pork tenderloin finished last week at \$1.8458, up 7 cents since the Wed. May 8 quote and up about 32.3 cents from the year ago price.

1/4 Trim Pork Butts (page 10), prices finished the week at \$1.5084, up 5.8 cents since Wed. May 8. Prices are up 9 cents from a year ago.

Spareribs, Trimmed - LGT, Vac (page 8). Prices finished the week at \$1.8896, up about 8 cents since Wed. May 8 and up about 60 cents from year ago levels.

Rib inventories on March 31 were 91.2 million pounds, down 18.5% from a year ago.

Bone-in Hams

17/20 hams (page 9) price was last quoted at \$0.8975/lb. up 3 cents since Wed. May 8 but down about 1 cent from a year ago.

20/23 hams finished the week at 87.74 cents (page 130) up about 2 cents since Wed. May 8 but down about 6 cents from the year ago level.

23/27 hams finished the week at 86.57 , up about 2 cents from the Wed. May 8 quote but down about 2 cents from the year ago level.

Total ham cold storage stocks on March 31 at 55.0 million pounds were up 3.0% from year ago levels.

42 CL Pork Trim "FOB Basis". Prices finished the week at 58.60 cents, down about 6.0 cents since Wed. May 8 but up about 12 cents from the year ago price.

72 CL Pork Trim "FOB Basis". Prices finished the week at 96.88 cents, up 1.9 cents since the Wed. May 8 quote and up about 38 cents from the year ago levels.

Freezer stocks of all trimmings on March 31 were 47.3 million pounds, down 10.8% from the year ago levels.

72 CL Picnic Meat "FOB Basis". The premium of picnic meat to 72CL trim is currently at 39 cents compared to 31 cents average in the previous six months.

POULTRY

Whole Broilers

The National Whole Bird price was quoted at 131.48 on Friday, May 17, down about 9 cents from a year ago.

Broiler slaughter for the week ending May 11 was 164.07 million head, down 1.49% from a year ago. For the last two weeks broiler slaughter was down 0.8% vs. a year ago.

Breasts. Prices on boneless skinless breasts finished the week at \$1.8504, up 5 cents since Wed. May 8 and up about 46 cent from year ago levels.

Leg Quarters. Last week leg quarter prices at 49.84 cents per pound prices were up about 0.31 cents vs. two weeks ago and were up 0 cents from a year ago.

Wings. Prices at \$2.2847 are up about 140 cents from year ago levels.

Turkeys

The prices below reflect weekly quoted USDA prices.

Hens finished last week at \$1.0300, unchanged 0.0 cent since Wed. May 8 but down about 40 cents from the year ago price.

Toms finished last week at \$1.0400, up 11 cents since Wed. May 8 but down about 37 cents from the year ago price.

Total turkey supplies in the freezer on March 31 were up 28.7% from a year ago at 244.1 million pounds. Whole birds were down 9.1% from a year ago with an inventory of 149.6 million pounds.

Turkey slaughter was 3.6380 million head for the week ending May 11, down -9.55% from a year ago. For the last two weeks slaughter has been down 8.56%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at \$2.2000, down since Wed. May 8. Prices are down about 100 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 \$9.9127 (weighted average quote) finished last week up about 69 cents since the Wed. May 8 quote and up about 88 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at \$9.4181 (weighted average quote) finished last week up about 31 cents since the Wed. May 8 quote and up about 82 cent vs. the year ago price.

Currently Choice 112A Rib Eyes are \$0.4946 /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 \$3.4921 for 90CL and \$0.7874 for 50CL product, an 81CL meat block value is now \$2.8835 and a 78CL meat block is \$2.6807. Choice 114, 3 Clods are now being priced 42.71 cents over 81CL meat block grinding values of 90s and 50s. A year ago the spread was 35.64 cents and the five year average spread for is 60.41 cents over.

Choice #161 Boneless Rounds finished last week at **\$3.6289**, up about 2 cents since Wed. May 8 and up about 13 cents from year ago levels.

Choice regular #168 insides finished last week quoted at \$3.2121 up about 20 cents since Wed. May 8 and up about 27 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at \$3.3164 up about 17 cents since Wed. May 8 but up about 32 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at \$2.9322 up about 3 cents since Wed. May 8 and up about 27 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at \$9.8640 (wt. avg.) up about 16 cents from the Wed. May 8 quote. Prices are up 175 cents from year ago levels.

Choice #184 Regular Heavy top butts finished at \$4.5500 (wt. avg.) up about 0 cents since Wed. May 8 and down about 56 cents from year ago levels.

Choice #184 ¼ inch trimmed Top Butts finished at \$4.8190 (wt. avg.) up about 15 cents since Wed. May 8 but down about 27 cents from the year ago levels.

Choice #185A Flap Meat prices finished Friday at \$7.5465 (wt. avg.) up about 66 cents since Wed. May 8 but down about 113 cents from year ago values.

COARSE GROUND BEEF –

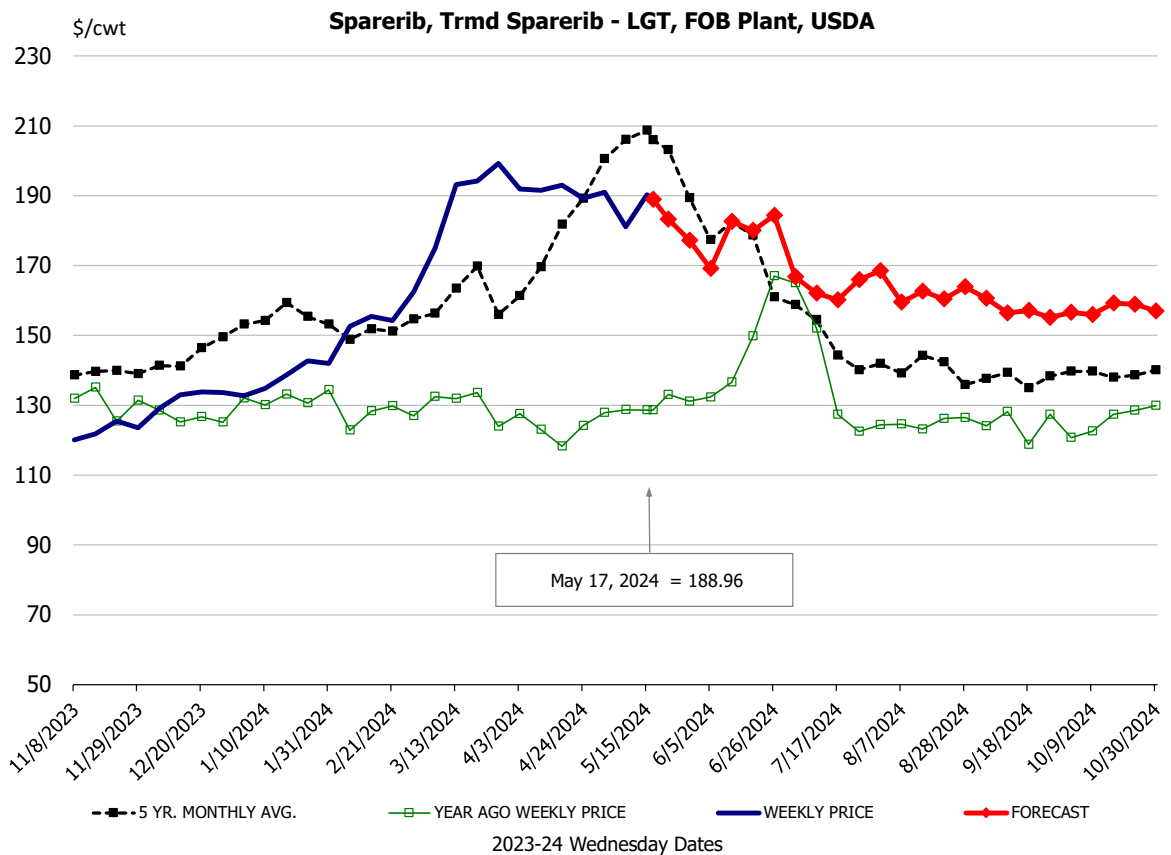
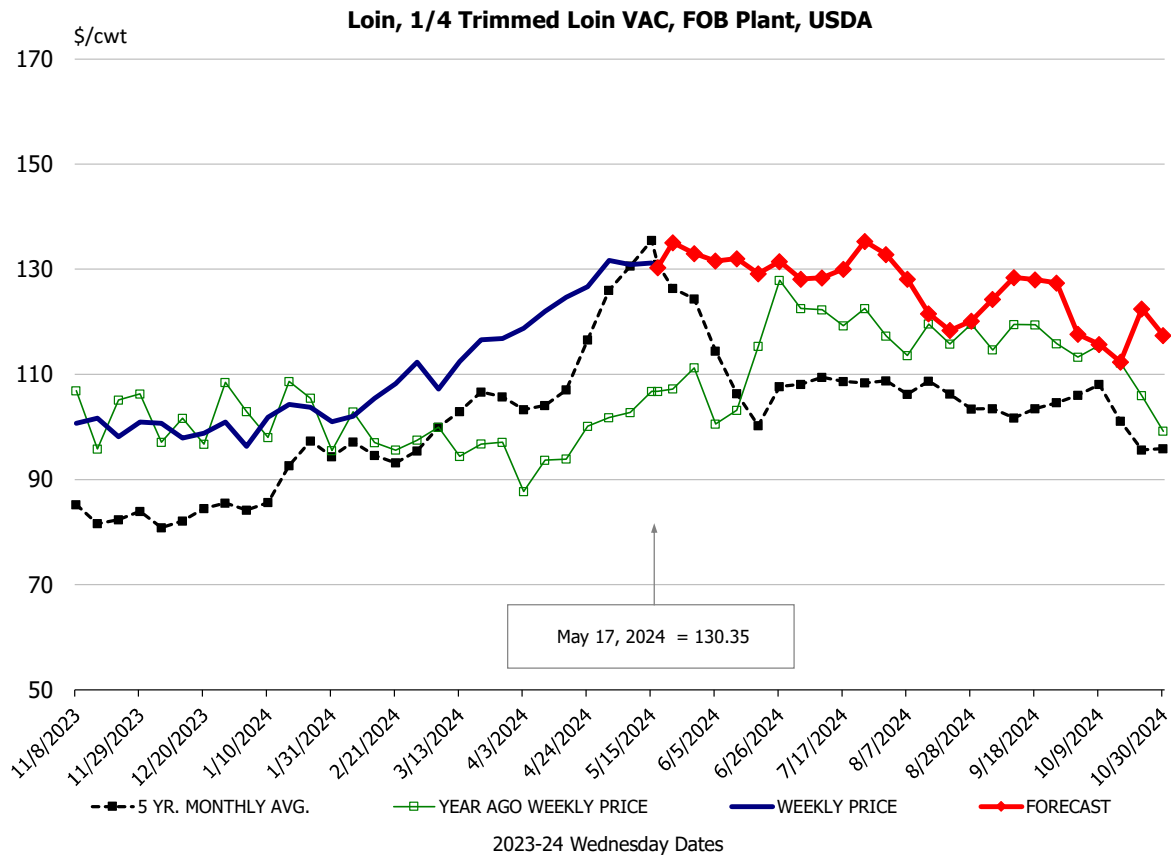
73CL Coarse Ground product finished last week at \$2.3638 down about 9 cents since Wed. May 8 and down about 8 cents from year ago levels.

81CL Coarse Ground product finished last week at \$3.0158 up about 13 cents since Wed. May 8 and up about 16 cents from the year ago quote.

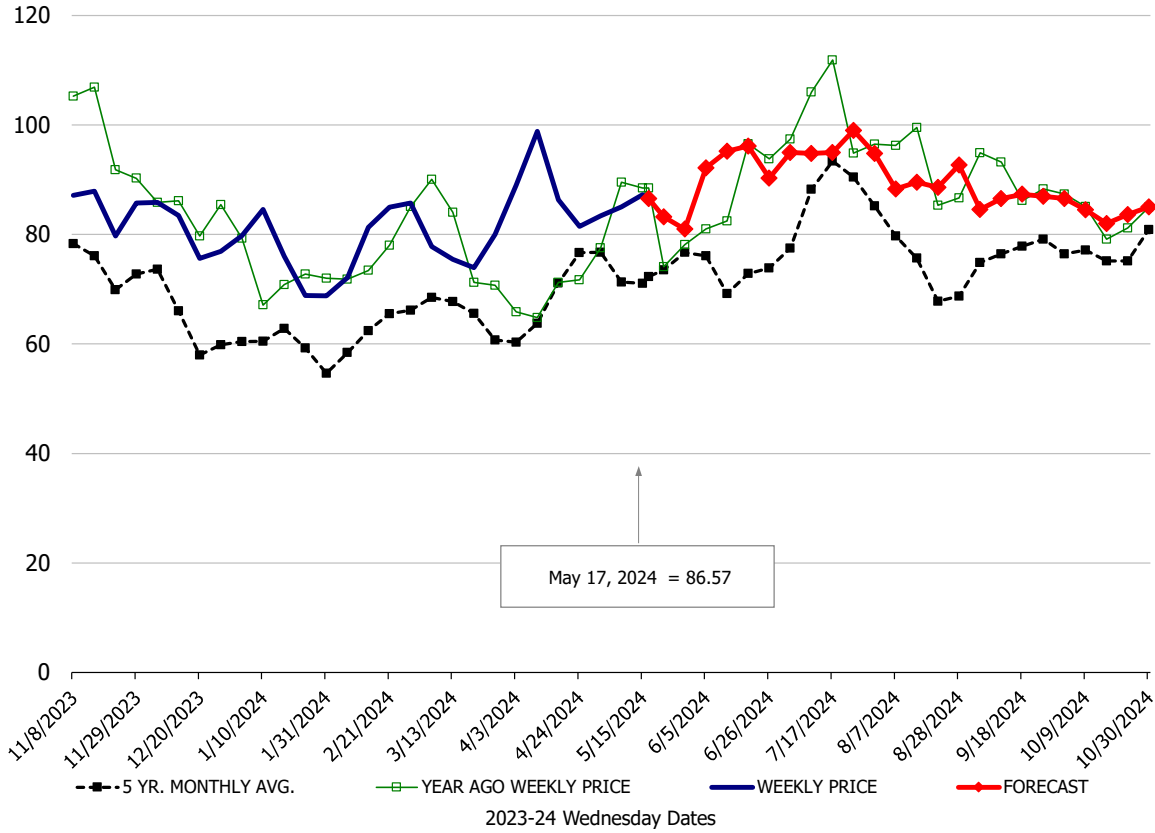
90CL Bnls. Beef prices finished the week at \$3.4921 (wt. avg.) up 0.51 cents since Wed. May 8 and up 75 cents compared to the year ago price quote. **50 CL Beef Trim** prices finished last week at \$0.7874, up about 4 cents since Wed. May 8 but down 104 cents compared to year ago levels.

Protein Summary Table - WT. AVE.

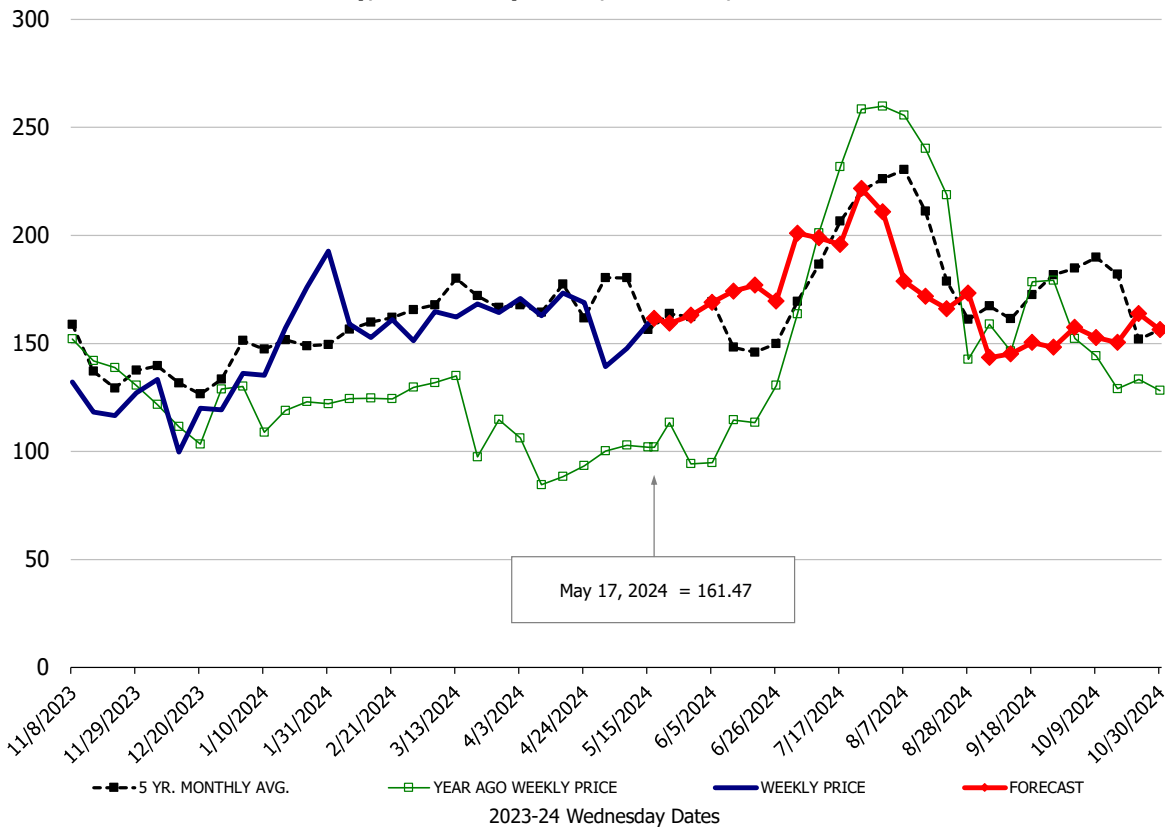
	HISTORY								FORECAST						
	Nov	Dec	Jan	Feb	Mar	Apr	4/24/2024	5/3/2024	5/15/2024	May	Jun	Jul	Aug	Sep	Oct
<u>PORK</u>															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	101.2	100.8	101.0	104.8	110.8	122.4	126.7	130.34	132	126	130	128	129	129	115
Loin, 1/8 Trimmed Loin VAC, FOB Plant, USDA	109.1	107.0	109.7	110.1	118.2	126.7	130.6	134.76	140	135	137	134	136	134	122
Loin, Bnls CC Strap-off, FOB Plant, USDA	162.0	164.1	167.2	168.9	171.1	178.6	179.2	181.13	192	184	181	177	189	199	189
Loin, Tenderloin, FOB Plant, USDA	124.4	141.8	157.3	166.7	171.9	177.7	183.5	176.56	183	177	178	176	180	170	159
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	107.1	107.2	101.5	102.8	117.7	132.8	135.1	127.36	142	138	144	142	137	137	120
Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA	125.9	131.3	138.4	157.6	189.1	189.5	189.3	180.74	182	180	175	161	161	157	159
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	242.3	243.9	243.6	232.3	250.7	259.0	287.6	267.40	267	270	265	253	253	259	261
Sparerib, Trmd Sparerib - MED, FOB Plant, USDA	118.7	125.6	135.0	157.6	184.6	179.1	174.1	178.89	179	178	172	160	160	156	158
Loin, Backribs 2.0#/up, FOB Plant, USDA	185.2	183.9	184.0	192.7	222.3	251.2	242.2	257.37	254	257	247	232	233	220	212
Ham, 17-20# Trmd Selected Ham, FOB Plant, USDA	86.6	84.0	80.4	81.0	81.7	95.1	89.9	84.43	93	91	95	101	100	101	94
Ham, 20-23# Trmd Selected Ham, FOB Plant, USDA	84.9	84.1	76.8	80.8	79.1	87.1	87.5	84.67	88	89	98	98	103	98	92
Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA	84.0	80.3	74.1	79.0	77.4	87.7	81.5	83.03	84	85	91	97	100	96	90
Belly Cutout, FOB Plant, USDA	102.2	87.6	124.5	129.0	125.7	123.9	111.8	116.79	128	123	151	184	172	135	140
Belly, Derind Belly 9-13#, FOB Plant, USDA	128.4	109.8	148.4	161.7	159.4	160.3	168.9	150.62	157	153	182	221	208	163	170
Belly, Derind Belly 13-17#, FOB Plant, USDA	118.9	104.6	140.8	155.0	150.8	144.0	133.9	136.51	152	146	175	214	201	156	163
Trim, 42% Trim Combo, FOB Plant, USDA	47.7	43.8	45.2	35.1	56.9	75.2	77.3	74.24	71	76	84	99	93	76	59
Trim, 72% Trim Combo, FOB Plant, USDA	74.6	72.1	83.6	81.8	93.5	103.0	102.6	101.88	104	105	117	119	105	95	86
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	87.3	91.1	97.8	92.4	103.5	113.9	120.5	122.35	129	125	132	133	124	118	122
Carcass Cutout, FOB Plant, USDA	86.7	83.6	87.0	89.1	93.1	99.1	97.3	98.35	103	101	105	109	108	101	96
<u>HOG CARCASS</u>															
CME 1-Day Lean Hog Index	74.7	67.3	68.1	76.3	82.7	89.6	90.9	90.84	95	94	101	103	102	92	87
<u>BROILERS</u>															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	121.7	127.9	129.9	128.6	129.1	131.3	131.2	131.58	138	136	135	127	122	120	119
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	109.2	98.8	116.3	124.9	145.3	170.4	174.8	175.75	179	180	174	162	159	148	125
N.E. BROILER BREAST LINE RUN, USDA	101.0	101.6	102.4	102.8	105.3	105.9	106.3	105.79	109	107	108	106	106	103	95
N.E. BROILER LEG QUARTERS, USDA	41.1	41.4	42.6	45.7	47.2	49.7	49.5	49.52	51	51	52	51	50	47	45
N.E. BROILER WINGS, USDA, WT.AVG.	160.7	158.9	169.7	188.2	214.1	228.4	227.1	226.27	231	230	230	230	230	230	230
<u>TURKEYS</u>															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	98.4	87.5	90.5	100.2	94.4	97.3	103.0	103.00	103	103	108	108	113	113	113
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	97.0	87.8	93.0	101.7	101.4	97.9	104.0	103.00	103	103	108	108	113	113	113
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	260.0	260.0	260.0	260.0	260.0	260.0	260.0	240.00	258	255	260	265	265	270	270
<u>LIVE STEERS</u>															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	180.5	170.6	173.9	180.6	186.4	185.2	182.7	186.24	182	182	180	178	180	181	184
<u>BEEF</u>															
CHOICE, 112A, 3, USDA,RIBEYE, BONELESS, HEAVY, WT.AVG.	1197.5	1300.3	999.8	985.5	1010.9	933.4	911.0	933.25	1016	985	1107	1009	1099	1112	1197
CHOICE, 161, 1, USDA,ROUND, BONELESS, WT. AVG.	378.1	333.5	336.9	364.1	370.5	364.7	361.0	371.00	366	365	358	352	357	371	383
CHOICE, 168, 3, TOP INSIDE ROUND, 1/4" MAX, WT. AVG., USDA	303.9	249.4	285.6	316.8	364.8	321.4	315.4	316.69	316	317	309	309	322	331	340
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	276.3	251.7	299.6	300.8	299.6	289.2	285.2	286.78	291	286	290	290	305	338	348
CHOICE, 180, 3, USDA,STRIP LOIN, BONELESS, 0X1, WT. AVG.	730.8	753.5	756.7	804.5	931.9	947.3	928.5	927.90	1019	956	972	869	809	763	719
CHOICE, 184, 3, USDA,TOP BUTT, BONELESS, WT. AVG.	385.7	390.3	396.3	397.5	441.9	449.6	448.0	461.28	483	478	468	470	459	428	409
CHOICE, 185A, 4, USDA,BOTTOM SIRLOIN, FLAP, WT. AVG.	625.6	607.8	705.6	714.8	754.3	709.7	726.8	688.04	721	725	790	817	824	752	693
USDA,COARSE GROUND 73%, WT. AVG.	201.1	173.5	190.5	215.9	222.8	231.1	248.2	236.20	250	245	243	237	251	240	228
COARSE GROUND 81%, WT. AVG., USDA	247.4	209.5	263.7	267.7	276.0	277.1	293.6	287.69	307	302	301	289	301	288	275
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	276.8	248.4	273.3	308.0	330.5	346.2	347.2	346.78	347	346	350	349	355	358	348
USDA, 50CL BEEF TRIM, FRESH, NATIONAL, WT. AVG.	64.6	54.2	76.9	92.9	103.9	91.2	84.5	78.58	86	92	100	104	107	98	90

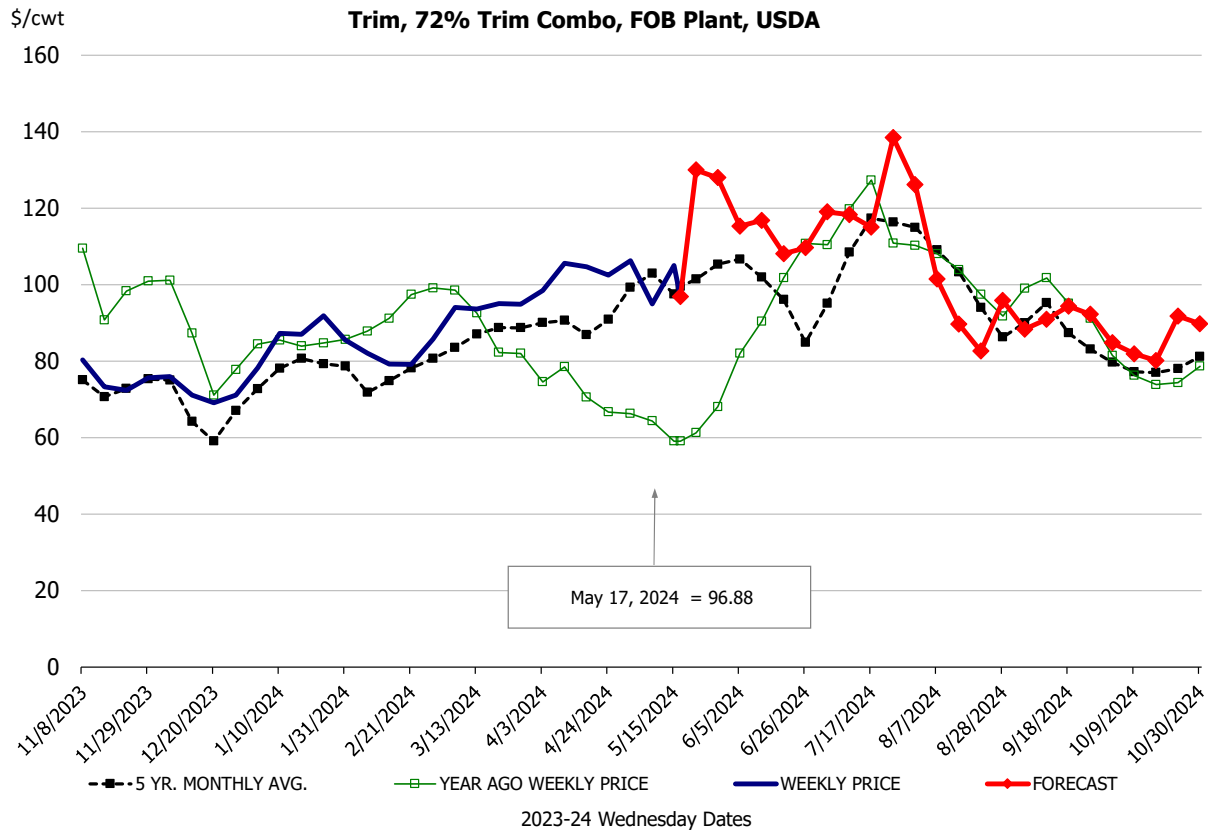
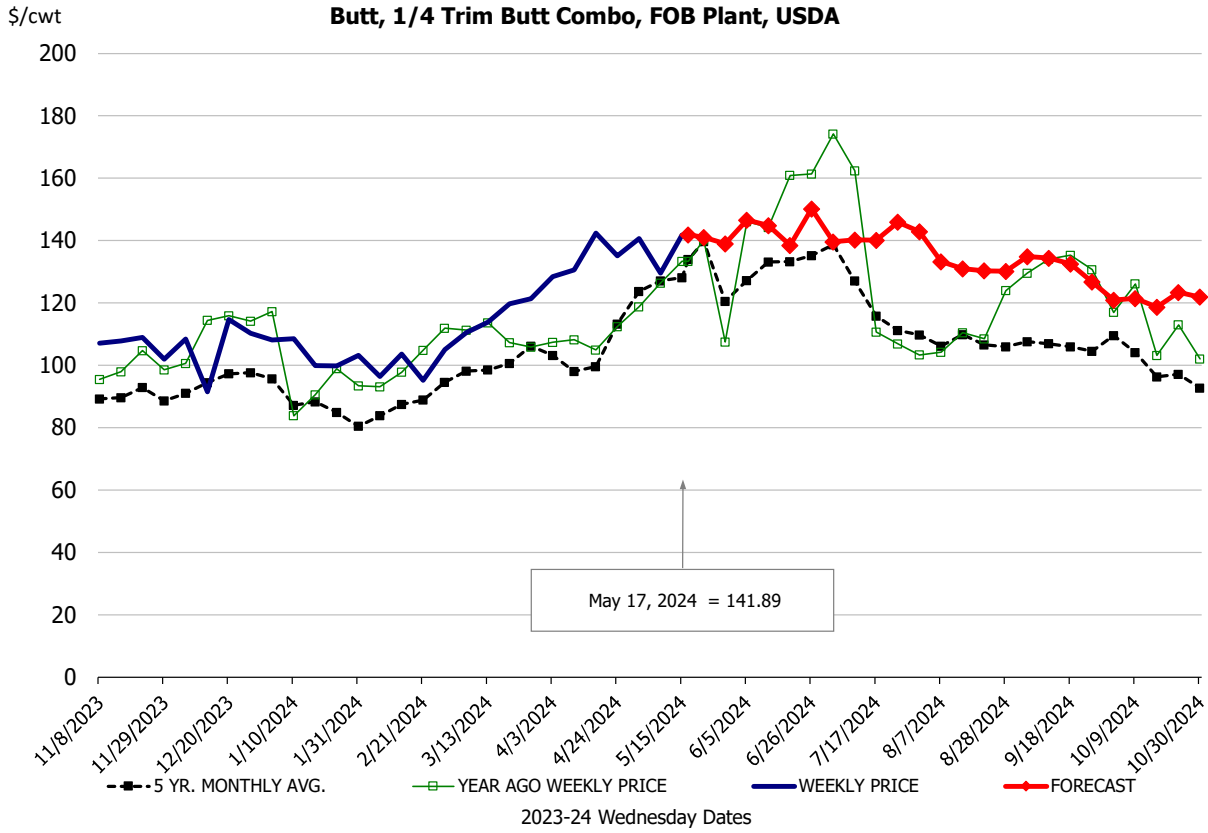


Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA



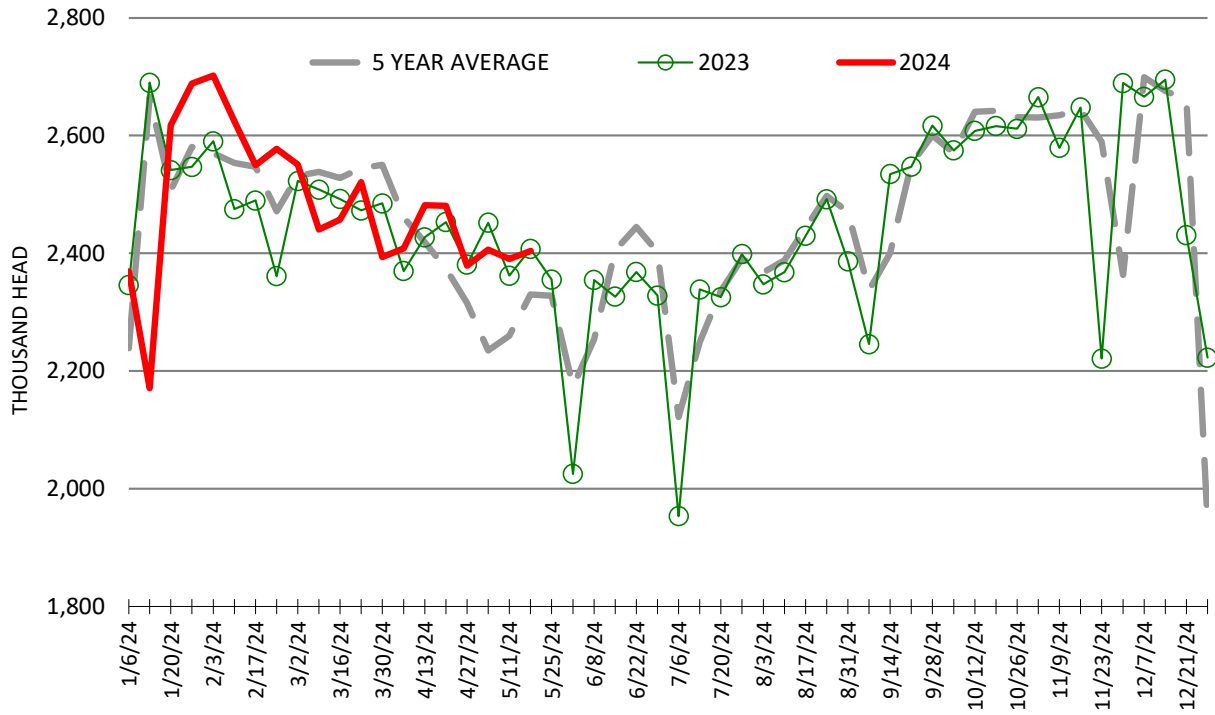
Belly, Derind Belly 9-13#, FOB Plant, USDA





ESTIMATED WEEKLY FI HOG SLAUGHTER

Source: USDA, '000 head



ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds

