



Pork Merchandiser's Profit Maximizer

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

September 9, 2024

1. Positive July export shipments but a more uncertain outlook for pork export demand in the fall.

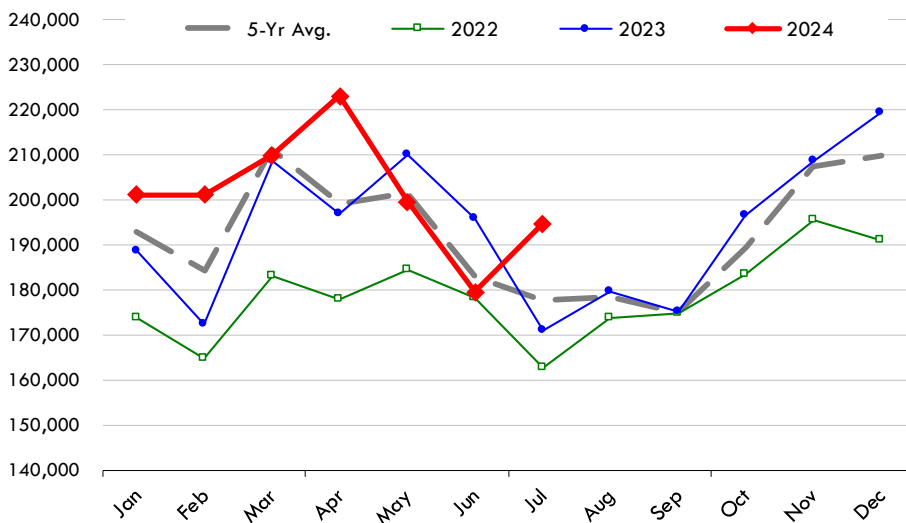
Pork exports were higher than expected in July, which helps explain the rally in pork prices, especially ham prices during the time. Shipments of fresh/frozen and cooked pork in July were 194,818 MT, 14% higher than a year ago. This brought the total of US pork exports through July

up 5% vs. a year ago. Mexico remains the top market for US pork and this was especially evident in July. Shipments to Mexico for the month were 88,124 MT, almost 20k MT (+29%) higher than a year ago. Mexico accounted for 45% of all US pork shipments in July. So far this year the Mexican market has taken over 40% of all US pork exports (does not include variety pork). Strong as US pork exports were in July, however, it is far from certain that the trend will persist in the fall.

Sales to Mexico have slowed down considerably and we think August shipments were closer to year ago levels. More importantly, the volume of pork sold but not yet shipped (outstanding sales) is currently 14% lower than at this time last year. While outstanding sales to Mexico are up 5% vs. a year ago, sales to several other key markets are down substantially. Shipments to Japan in July were 9% lower than a year ago and so far, this year are running 3% lower than a year ago. Outstanding sales to this

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

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



market are currently 54% lower than a year ago.

High prices for loins and lack of frozen inventory has significantly hampered exports to the Japanese market, opening the door to more Brazilian pork entering this market. Brazilian pork shipments to Japan in August were 177% higher than a year ago and up 130% for the year. Brazilian pork exports steadily increased in 2019-21 thanks to robust demand from China. With sales to China steadily drifting lower, Brazilian packers have pushed more aggressively in markets that traditionally bought pork from the US. Brazilian pork exports in August were 106,018 MT, 6% more than a year ago even as exports to China were down 49% y/y. Where is Brazil sending its pork? Exports to the Philippines were near 25k MT in August, 86% higher than a year ago. Brazil has also resumed shipping pork to Mexico although the volume is still relatively small vs. what US is exporting. August shipments to Mexico were near 5,700 MT. Brazil has also resumed exporting pork to the Dominican Republic and other smaller markets.

US pork production is expected to be up as much as 5% y/y in Q4. Last year US pork exports in Q4 were up 10% y/y but for that to happen lower prices were needed. Mexico was a key contributor to that increase. Export demand will need to be just as strong this year, a high bar considering that other pork suppliers (Brazil, Canada, EU) are vying for the same business.

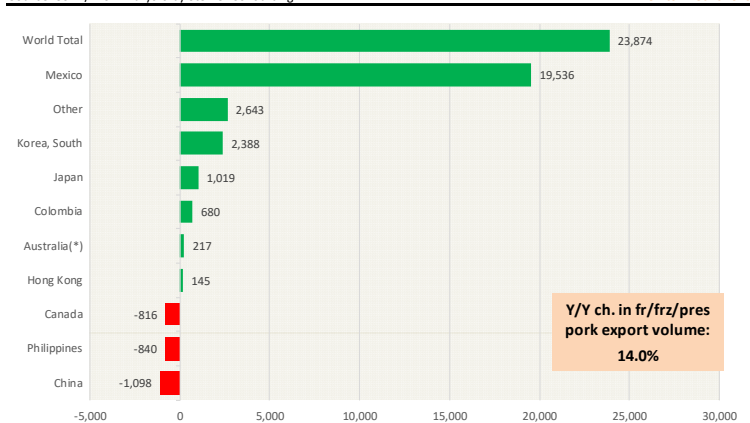
Product Update

Hog Market. For the week ending September 7 hog slaughter was 2.327 million head, up 3.6% from a year ago. In the last two weeks hog slaughter is up 2.7% vs. year ago levels.

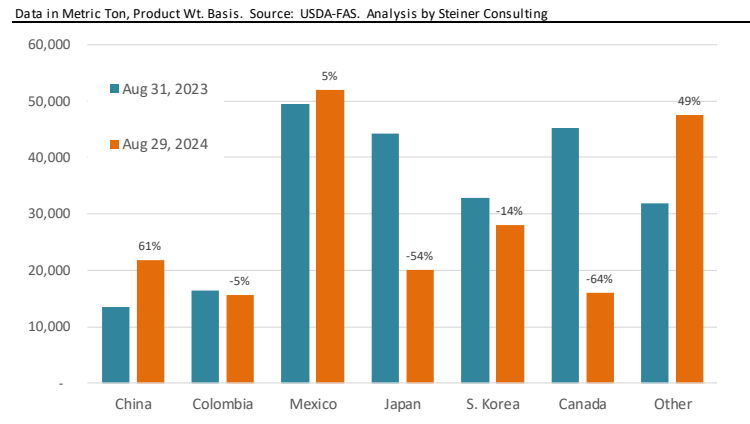
Iowa/Minnesota, Base Negotiated Purchase for Barrows and Gilts. Lean hog carcass values at about 86.47 /cwt. on Friday were down \$0.6/cwt since Wed. August 28. Prices are up about 0.3 \$/cwt compared to year ago values.

Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA (page 8). Prices finished last week at

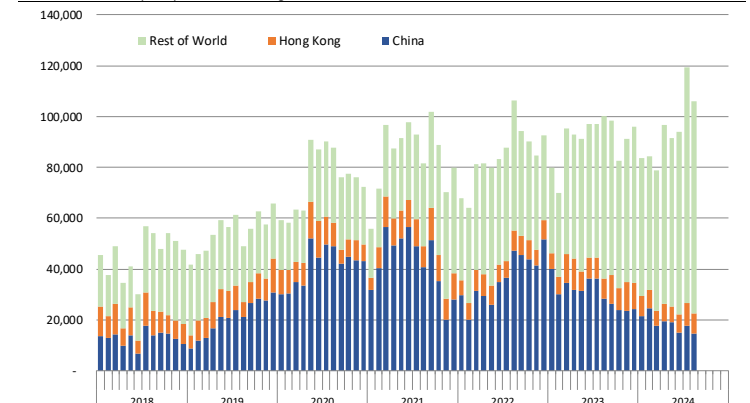
Y/Y Ch. in Jul. 24 vs. Jul 23 US Fr, Froz & Pres Pork Export Volume
Source: USDA/FAS. Analysis by Steiner Consulting



Outstanding Pork Export Sales as of Aug 29, 2024
Data in Metric Ton, Product Wt. Basis. Source: USDA-FAS. Analysis by Steiner Consulting



Brazilian Monthly Exports of Fresh/Frozen Pork. Metric Ton. Product Wt. Basis
Source: Comex. Analysis by Steiner Consulting



\$1.2653, up about 1.8 cents since the Wed. August 28 quote and up about 12 cents from year ago levels.

Bnls. Strap on Pork Loins. Prices finished the week at \$1.4675 for the strap on loins, up 3.5 cents since Wed. August 28 but down 20 cents from the year ago levels. Strap off loins at \$1.6585 are down 3.8 cent since Wed. August 28 and down about 16 cents compared to the year ago quote.

Boneless sirloins at \$1.3344 were down about one cent from the Wed. August 28 quote but up about 8.8 cents from the year ago price.

Pork tenderloin finished last week at \$1.7715, down 4 cents since the Wed. August 28 quote but up about 31.6 cents from the year ago price.

1/4 Trim Pork Butts (page 10), prices finished the week at \$1.1861, up 0.5 cents since Wed. August 28. Prices are down 19 cent from a year ago.

Spareribs, Trimmed - LGT, Vac (page 8). Prices finished the week at \$1.4748, up about 2 cents since Wed. August 28 and up about 23 cents from year ago levels.

Rib inventories on July 31 were 59.8 million pounds, down 7.9% from a year ago.

Bone-in Hams

17/20 hams (page 9) price was last quoted at \$0.9524/lb. up 5 cent since Wed. August 28 but down about 1 cent from a year ago.

20/23 hams finished the week at 96.18 cents (page 130) up about 5 cent since Wed. August 28 and up about 1 cents from the year ago level.

23/27 hams finished the week at 95.24 , up about 1 cents from the Wed. August 28 quote and up about 0 cents from the year ago level.

Total ham cold storage stocks on July 31 at 139.2 million pounds were up 1.2% from year ago levels.

42 CL Pork Trim “FOB Basis”. Prices finished the week at 75.23 cents, up about 5.2 cents since Wed. August 28 and up about 9 cents from the year ago price.

72 CL Pork Trim “FOB Basis”. Prices finished the week at 89.00 cents, down 0.3 cents since the Wed. August 28 quote and down about 10 cents from the year ago levels.

Freezer stocks of all trimmings on July 31 were 37.2 million pounds, down 21.2% from the year ago levels.

72 CL Picnic Meat “FOB Basis”. The premium of picnic meat to 72CL trim is currently at 47 cents compared to 36 cents average in the previous six months.

POULTRY

Whole Broilers

The National Whole Bird price was quoted at 130.64 on Friday, September 6, up about 11 cents from a year ago.

Broiler slaughter for the week ending August 31 was 171.04 million head, down 0.74% from a year ago. For the last two weeks broiler slaughter was down 0.3% vs. a year ago.

Breasts. Prices on boneless skinless breasts finished the week at \$1.9916, up 2 cents since Wed. August 28 and up about 30 cents from year ago levels.

Leg Quarters. Last week leg quarter prices at 52.45 cents per pound prices were up about 0.14 cents vs. two weeks ago and were up 11 cents from a year ago.

Wings. Prices at \$2.3478 are up about 86 cents from year ago levels.

Turkeys

The prices below reflect weekly quoted USDA prices.

Hens finished last week at \$0.8667, down 3.0 cents since Wed. August 28 and down about 43 cents from the year ago price.

Toms finished last week at \$1.0450, up 12 cents since Wed. August 28 but down about 26 cents from the year ago price.

Total turkey supplies in the freezer on July 31 were up 4.7% from a year ago at 460.7 million

pounds. Whole birds were up 4.2% from a year ago with an inventory of 246.0 million pounds.

Turkey slaughter was 3.7900 million head for the week ending August 31, down -6.14% from a year ago. For the last two weeks slaughter has been down 7.61%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at \$2.2000, unchanged since Wed. August 28. Prices are down about 40 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 \$9.9371 (weighted average quote) finished last week up about 10 cent since the Wed. August 28 quote but down about 192 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at \$8.7216 (weighted average quote) finished last week up about 40 cents since the Wed. August 28 quote and down about 20 cent vs. the year ago price.

Currently Choice 112A Rib Eyes are \$1.2155 /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 \$3.7425 for 90CL and \$1.3545 for 50CL product, an 81CL meat block value is now \$3.2052 and a 78CL meat block is \$3.0261. Choice 114, 3 Clods are now being priced 4.06 cents over 81CL meat block grinding values of 90s and 50s. A year ago the spread was 54.90 cents and the five year average spread for is 43.51 cents over.

Choice #161 Boneless Rounds finished last week at \$3.7782, down 3 cent since Wed. August 28 but up about 10 cents from year ago levels.

Choice regular #168 insides finished last week quoted at \$3.4095 down about 26 cents since Wed. August 28 and down about 6 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at \$3.4757 down about 3 cents since Wed. August 28 but down about 12 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at \$3.0040 down about 46 cents since Wed. August 28 and down about 51 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at \$6.5689 (wt. avg.) up about 8 cents from the Wed. August 28 quote. Prices are down 9 cents from year ago levels.

Choice #184 Regular Heavy top butts finished at \$4.8315 (wt. avg.) up about 2 cents since Wed. August 28 but up about 30 cents from year ago levels.

Choice #184 ¼ inch trimmed Top Butts finished at \$4.8716 (wt. avg.) down about 3 cents since Wed. August 28 but up about 33 cents from the year ago levels.

Choice #185A Flap Meat prices finished Friday at \$6.9237 (wt. avg.) down about 11 cents since Wed. August 28 but up about 61 cents from year ago values.

COARSE GROUND BEEF –

73CL Coarse Ground product finished last week at **\$2.7786 up** about 4 cents since Wed. August 28 and up about 11 cents from year ago levels.

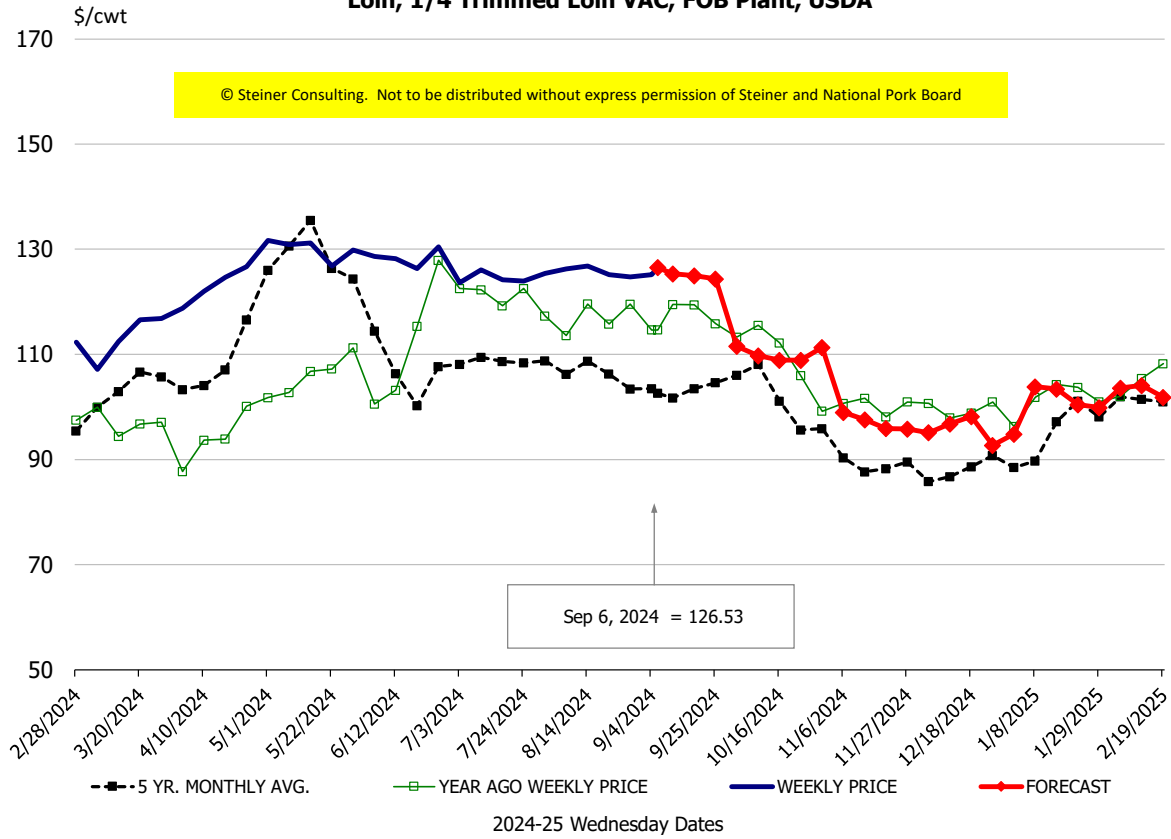
81CL Coarse Ground product finished last week at \$3.2451 down about 23 cents since Wed. **August 28 but up** about **36** cents from the year ago quote.

90CL Bnls. Beef prices finished the week at **\$3.7425** (wt. avg.) **down 1.93** cents since Wed. August 28 but up 65 cents compared to the year ago price quote. **50 CL Beef Trim** prices finished last week at \$1.3545, up about 12 cents since Wed. August 28 and up 5 cents compared to year ago levels.

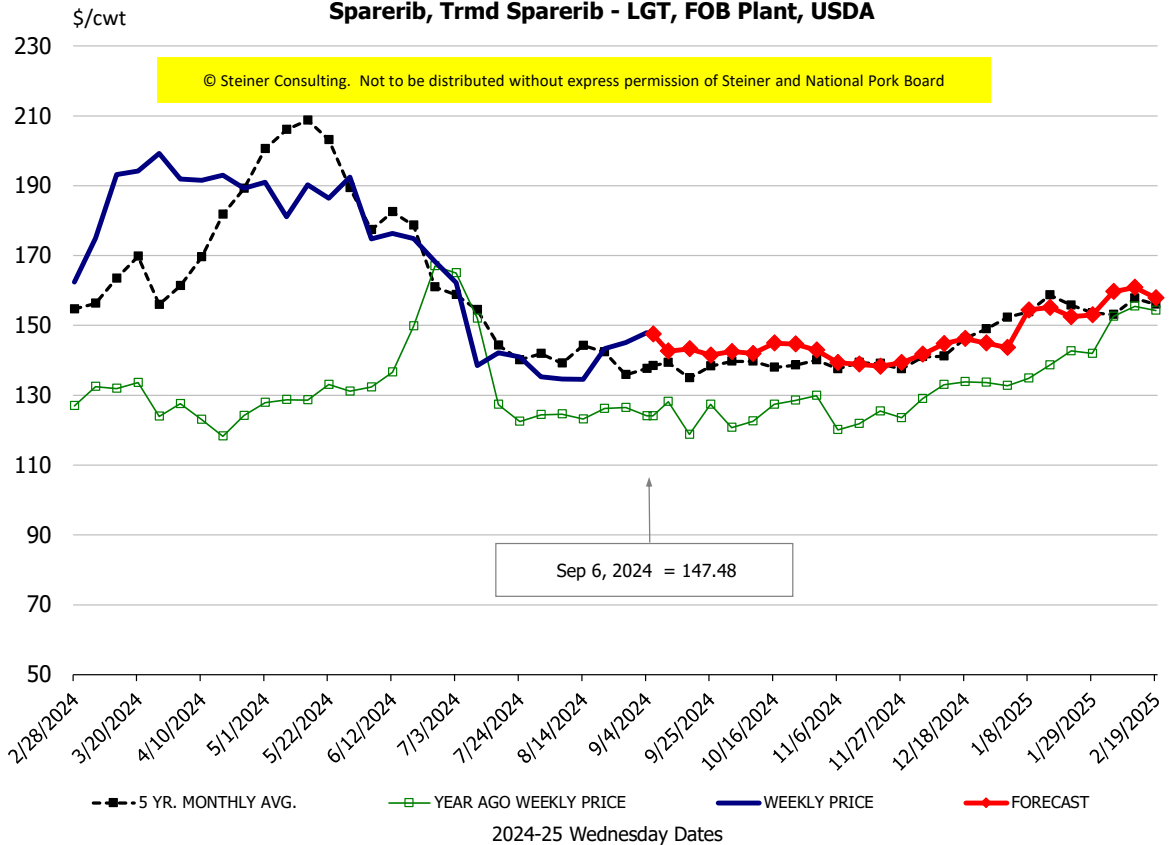
Protein Summary Table - WT. AVE.

	HISTORY								FORECAST						
	Mar	Apr	May	Jun	Jul	Aug	8/28/2024	9/6/2024	9/18/2024	Sep	Oct	Nov	Dec	Jan	Feb
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PORK															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	110.8	122.4	130.3	128.4	124.9	125.5	124.7	126.53	125	122	110	98	96	101	103
Loin, 1/8 Trimmed Loin VAC, FOB Plant, USDA	118.2	126.7	139.1	138.6	133.2	131.3	131.1	132.32	129	127	117	105	103	106	110
Loin, Bnls CC Strap-off, FOB Plant, USDA	171.1	178.6	184.5	180.9	170.1	166.5	169.7	165.85	175	168	167	162	163	169	168
Loin, Tenderloin, FOB Plant, USDA	171.9	177.7	182.2	176.5	170.2	174.5	181.0	177.15	170	174	164	155	156	161	165
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	117.7	132.8	138.3	133.0	120.7	109.8	114.7	110.27	114	114	109	105	109	105	103
Sparerib, Trmrd Sparerib - LGT, FOB Plant, USDA	189.1	189.5	183.7	170.7	143.8	137.9	145.1	147.48	143	145	142	140	144	153	160
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	250.7	259.0	268.6	270.4	271.2	266.9	296.8	246.95	261	257	244	242	249	274	273
Sparerib, Trmrd Sparerib - MED, FOB Plant, USDA	184.6	179.1	187.7	171.2	145.9	137.7	141.9	136.60	137	139	134	132	137	149	157
Loin, Backribs 2.0#/up, FOB Plant, USDA	222.3	251.2	257.0	260.3	239.9	220.5	228.6	219.44	212	216	207	203	204	221	238
Ham, 17-20# Trmrd Selected Ham, FOB Plant, USDA	81.7	95.1	89.5	93.2	99.6	108.0	89.9	95.24	99	96	98	98	86	77	75
Ham, 20-23# Trmrd Selected Ham, FOB Plant, USDA	79.1	87.1	85.9	88.5	106.6	97.4	91.7	96.18	95	94	96	97	85	76	73
Ham, 23-27# Trmrd Selected Ham, FOB Plant, USDA	77.4	87.7	86.1	88.5	111.8	94.5	94.6	95.24	93	93	94	94	83	74	72
Belly Cutout, FOB Plant, USDA	125.7	123.9	123.7	124.4	128.7	135.7	123.4	123.41	123	119	117	110	102	124	134
Belly, Derind Belly 9-13#, FOB Plant, USDA	159.4	160.3	155.9	163.9	161.1	165.3	154.0	148.66	154	147	144	136	126	153	165
Belly, Derind Belly 13-17#, FOB Plant, USDA	150.8	144.0	150.3	148.5	156.9	160.4	147.5	147.62	152	146	144	135	125	152	164
Trim, 42% Trim Combo, FOB Plant, USDA	56.9	75.2	61.0	55.2	59.3	89.2	70.0	75.23	70	70	61	52	48	48	49
Trim, 72% Trim Combo, FOB Plant, USDA	93.5	103.0	95.8	95.3	90.3	104.4	89.3	89.00	91	87	78	77	77	85	83
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	103.5	113.9	119.4	119.5	120.8	121.7	121.6	123.98	127	123	115	107	104	105	101
Carcass Cutout, FOB Plant, USDA	93.1	99.1	100.3	98.9	100.0	98.9	95.3	96.27	97	96	92	90	87	87	88
HOG CARCASS															
CME 1-Day Lean Hog Index	82.7	89.6	91.5	90.8	90.0	93.6	87.0	86.47	82	81	76	71	69	74	78
BROILERS															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	129.1	131.3	131.4	131.8	132.1	130.9	125.5	130.64	124	126	125	127	128	130	131
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	145.3	170.4	182.0	172.2	176.1	189.5	197.3	199.16	187	185	160	134	130	140	147
N.E. BROILER BREAST LINE RUN, USDA	105.3	105.9	106.1	106.5	105.6	107.0	108.0	108.07	106	107	104	100	100	102	105
N.E. BROILER LEG QUARTERS, USDA	47.2	49.7	50.8	52.7	52.2	51.9	52.3	52.45	50	51	47	45	44	44	47
N.E. BROILER WINGS, USDA, WT. AVG.	214.1	228.4	231.1	252.7	262.7	245.5	234.8	234.78	239	235	230	237	240	250	260
TURKEYS															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	94.4	97.3	102.2	99.6	93.8	95.3	90.1	86.67	101	100	107	109	105	103	103
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	101.4	97.9	97.4	98.2	97.0	89.6	92.3	104.50	101	100	107	109	105	103	103
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	260.0	260.0	228.8	220.0	220.0	220.0	220.0	220.00	221	220	225	230	237	237	237
LIVE STEERS															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	186.4	185.2	187.0	191.2	195.2	189.8	184.6	182.65	181	184	183	182	181	183	184
BEEF															
CHOICE, 112A, 3, USDA, RIBEYE, BONELESS, HEAVY, WT. AVG.	1010.9	933.4	963.3	1064.1	953.8	957.5	983.8	993.71	1000	1016	1093	1177	1108	962	988
CHOICE, 161, 1, USDA, ROUND, BONELESS, WT. AVG.	370.5	364.7	361.8	356.9	376.1	380.7	381.0	377.82	372	378	374	372	355	357	357
CHOICE, 168, 3, TOP INSIDE ROUND, 1/4" MAX, WT. AVG., USDA	364.8	321.4	321.5	334.3	367.6	365.4	351.0	347.57	344	350	354	337	320	330	341
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	299.6	289.2	293.4	300.9	314.9	318.5	346.9	300.40	320	317	329	305	291	309	305
CHOICE, 180, 3, USDA, STRIP LOIN, BONELESS, 0X1, WT. AVG.	931.9	947.3	986.9	1111.0	906.8	702.8	649.2	656.89	669	684	667	649	665	768	800
CHOICE, 184, 3, USDA, TOP BUTT, BONELESS, WT. AVG.	441.9	449.6	476.6	528.8	531.8	496.8	490.3	487.16	469	478	413	415	418	430	443
CHOICE, 185A, 4, USDA, BOTTOM SIRLOIN, FLAP, WT. AVG.	754.3	709.7	717.0	725.0	847.5	752.8	703.5	692.37	713	733	665	670	671	725	755
USDA, COARSE GROUND 73%, WT. AVG.	222.8	233.7	231.1	262.8	278.8	282.0	274.0	277.86	265	277	257	250	243	286	256
COARSE GROUND 81%, WT. AVG., USDA	276.0	281.7	294.0	315.3	329.7	336.3	347.7	324.51	296	312	292	291	275	329	311
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	330.5	346.2	349.8	362.6	373.4	374.0	376.2	374.25	368	374	357	348	340	341	348
USDA, 50CL BEEF TRIM, FRESH, NATIONAL, WT. AVG.	103.9	91.2	74.9	87.4	126.9	158.3	123.3	135.45	116	131	120	114	105	127	132

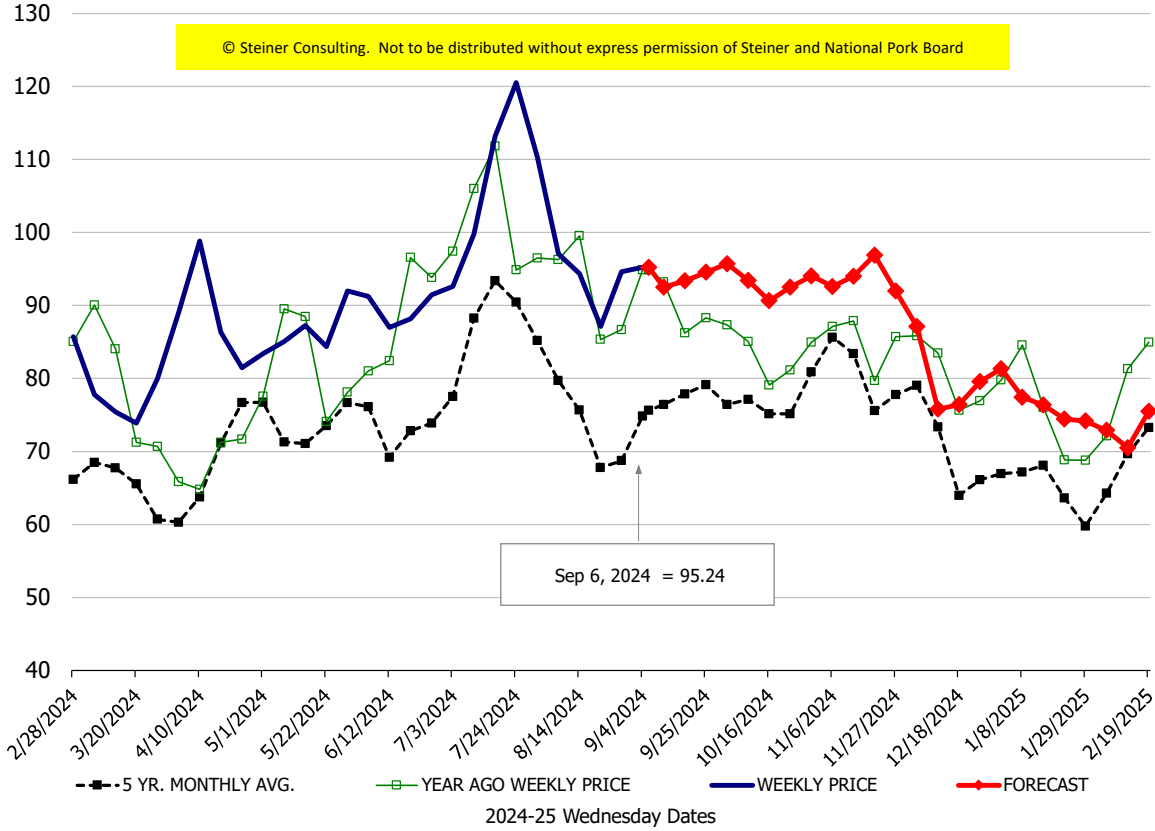
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA



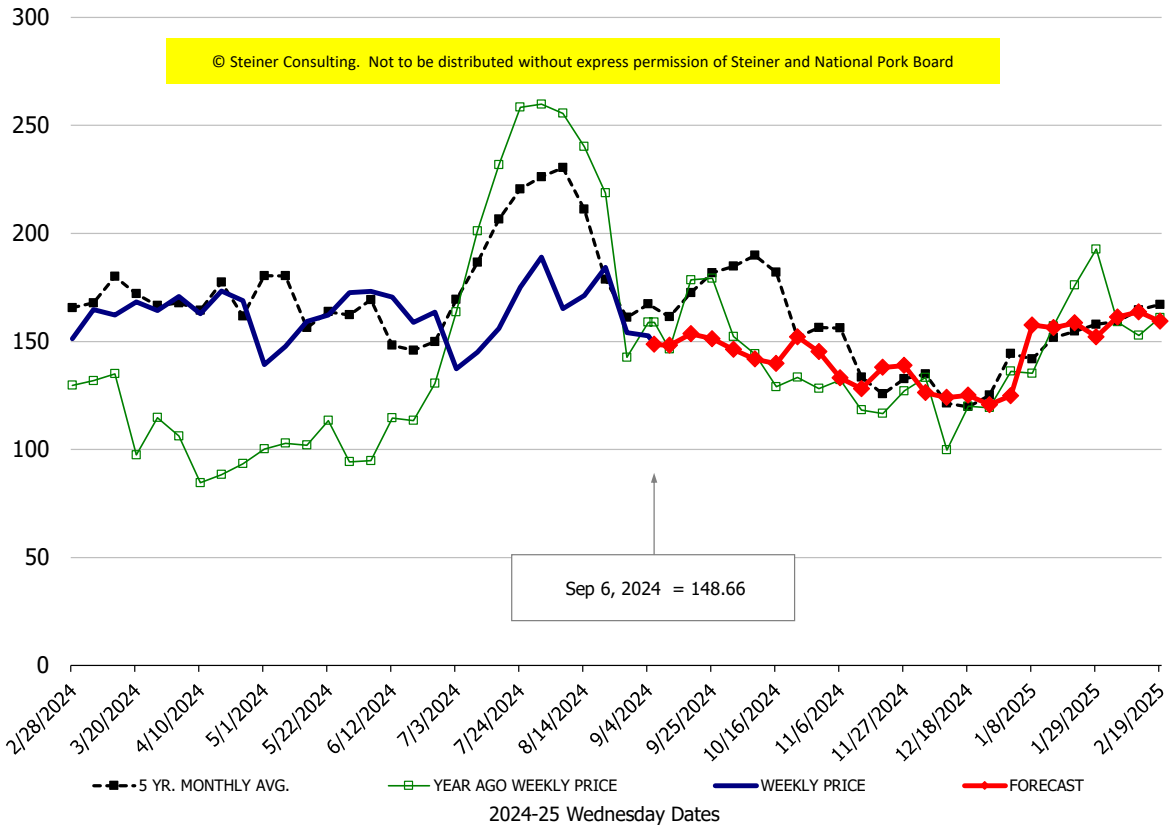
Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA

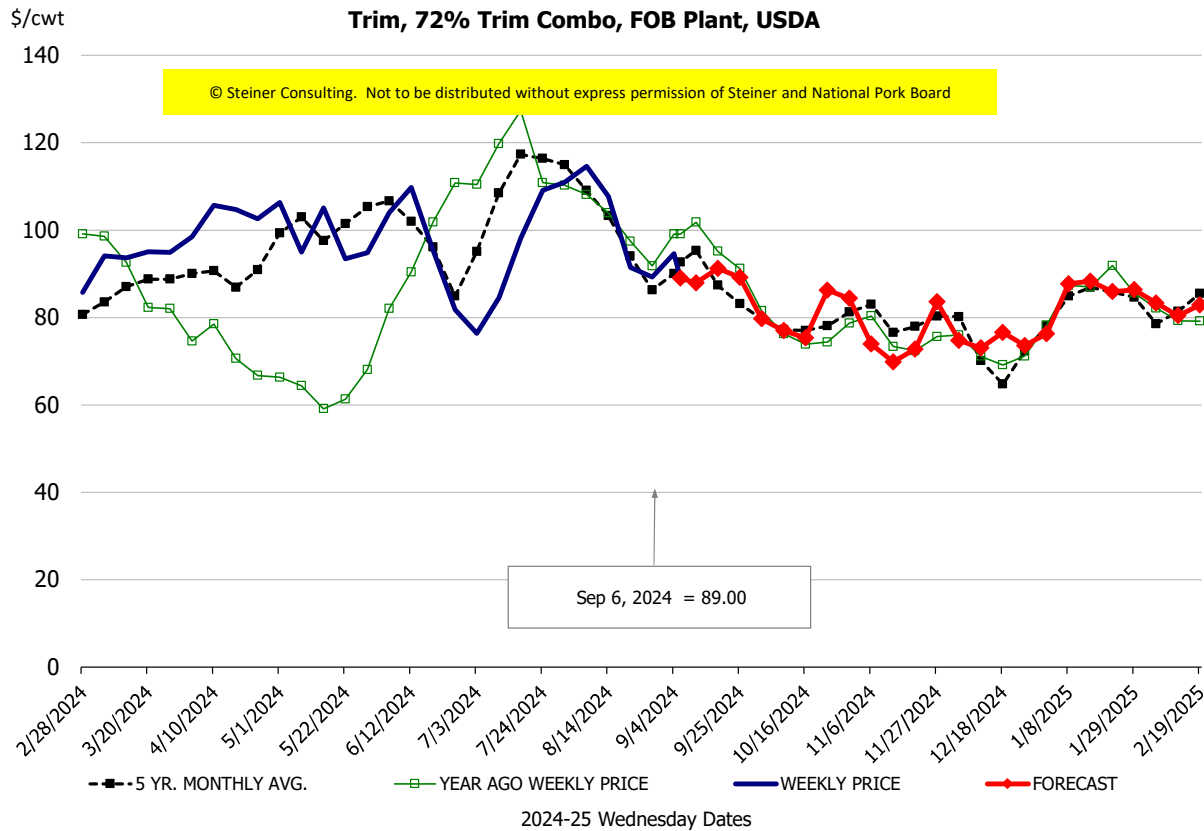
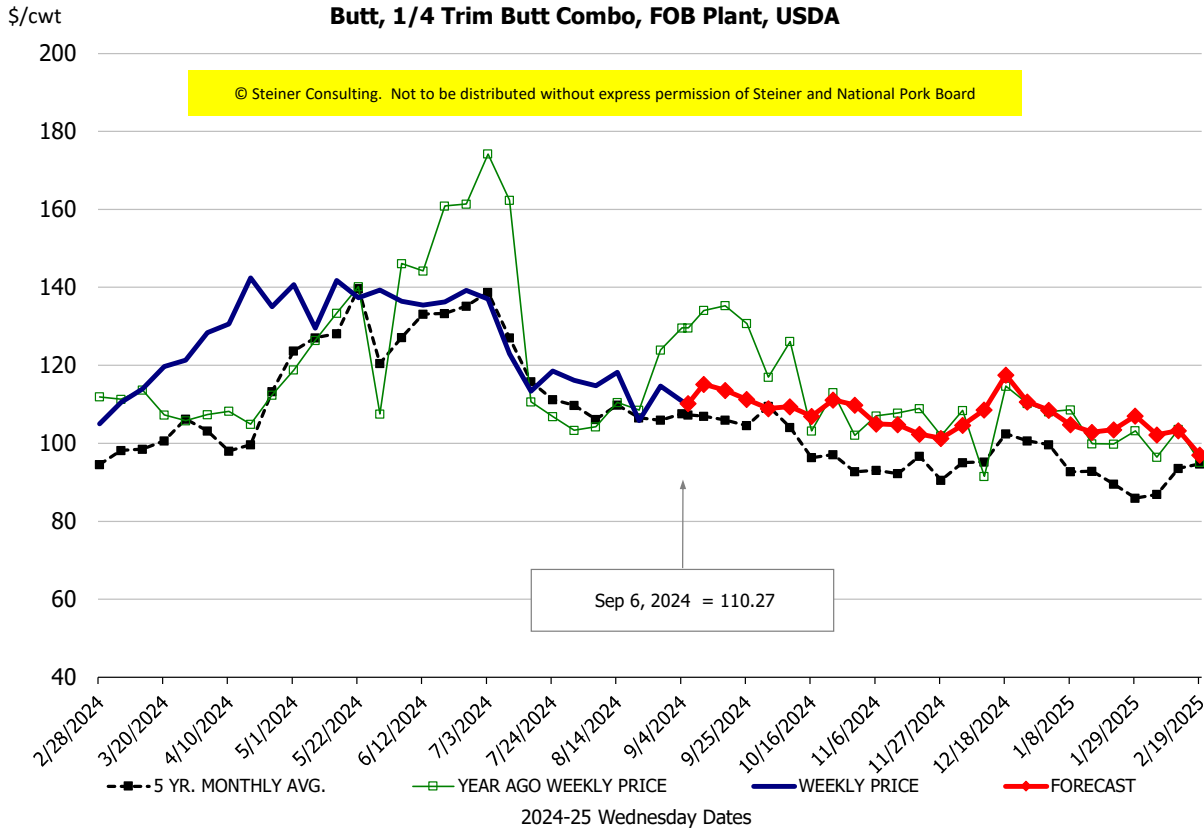


Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA



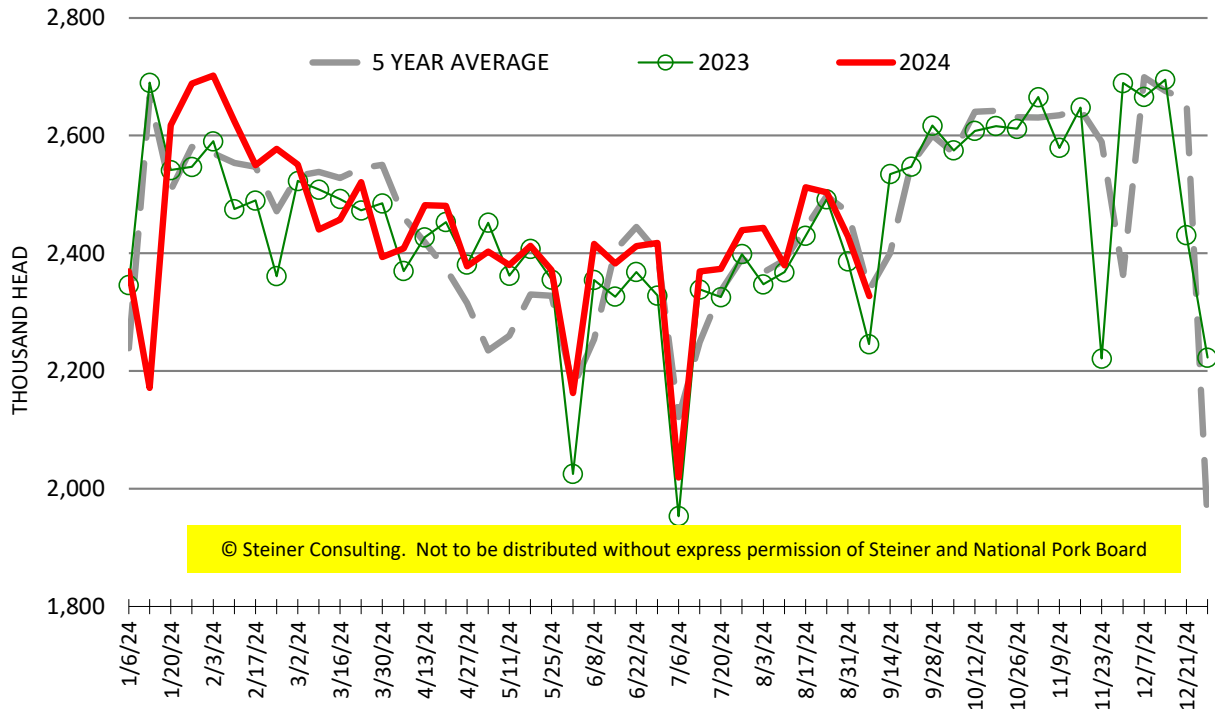
Belly, Derind Belly 9-13#, FOB Plant, USDA





ESTIMATED WEEKLY FI HOG SLAUGHTER

Source: USDA, '000 head



ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds

