



# Pork Merchandiser's Profit Maximizer

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

**November 18, 2024**

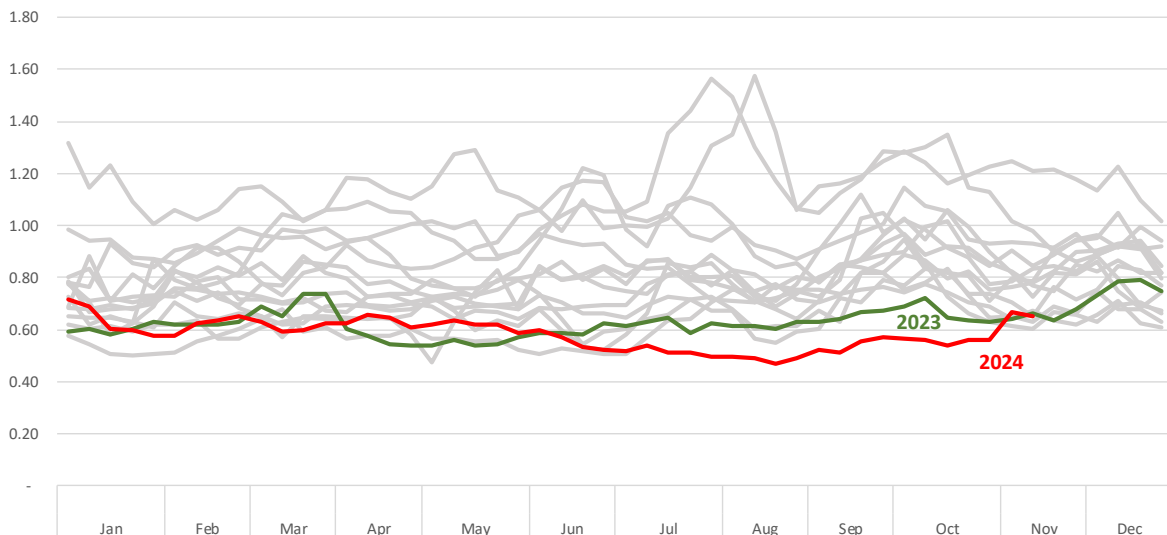
## **1. Pork loins continue to offer value to retailers for post-holiday needs.**

It is not uncommon for loin prices to be lower in November and December and that has been the case again this year. In the near terms retailers are likely focused on merchandising for the holidays, with hams, turkeys and rib roasts staples for Thanksgiving and Christmas celebrations. However, we think this is the time to start thinking

about post-holiday needs and pork loins stand out as great value both vs. beef and chicken offerings. The charts to the right show the price ratio of boneless pork loins relative to 81CL coarse ground beef and b/s chicken breasts. We looked at the ratio for the last 15 years and highlighted what the ratio looked like in 2023 and so far in 2024. While year to year the ratio has moved around quite a bit, the point is that current levels are on the low end of the 15-year range. Pork has been a competitive

### **Price Ratio of Boneless Center Cut, Strap Off Pork Loins vs. 81CL Coarse Ground beef. 2010 - 2024**

Data Source: USDA-AMS. Analysis by Steiner Consulting



protein in recent years but especially recently. There is a lot of talk of consumers trading down or looking for value. The recent rally in hog futures may give the impression that pork prices are getting more expensive but that is not the case. Much of the recent rally in hog futures is due to the sudden (and likely temporary) shift in the value of pork bellies. Loin prices, however, have been trading in a very predictable fashion and currently are far more competitive vs. other proteins. Other fresh pork items, be this pork butts, baby back ribs and even picnics, present similar opportunities. As noted above, the domestic pork market is expected to remain well supplied through 2025, with only modest price appreciation

**2. Per capita pork availability in 2025 (per USDA) and wholesale price outlook**

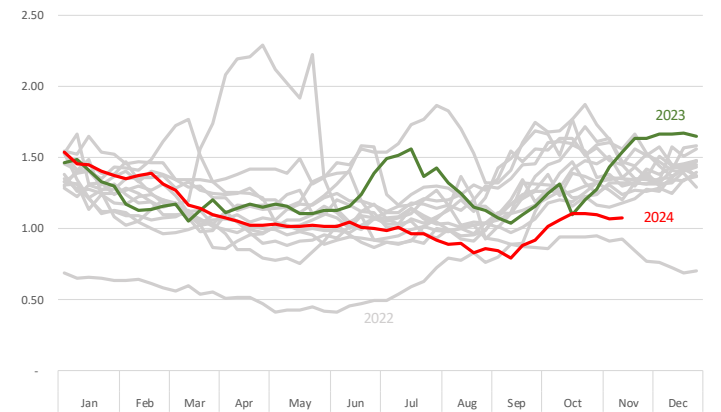
USDA raised its projections for beef supply in 2025 but it lowered its projections for pork production next year. This is more consistent with our figures although we remain less optimistic than USDA that pork supply will increase appreciably in 2025. Our opinion is that the decline in the breeding herd and productivity returning to a more normal trend implies lower hog supplies through the first half of the year and only a modest increase in the second half.

USDA's current forecast is for pork production next year at 28.415 million pounds, 115 million pounds lower than the forecast presented in October but still about 1.9% more than a year ago. Pork exports are expected to be unchanged although uncertainty regarding trade with Mexico and China hangs in the background. USDA forecasts suggest per capita availability up 1% vs. a year ago, implying limited upside for wholesale pork prices unless there is a notable shift in demand, something that we have yet to see in the historical data (see chart).

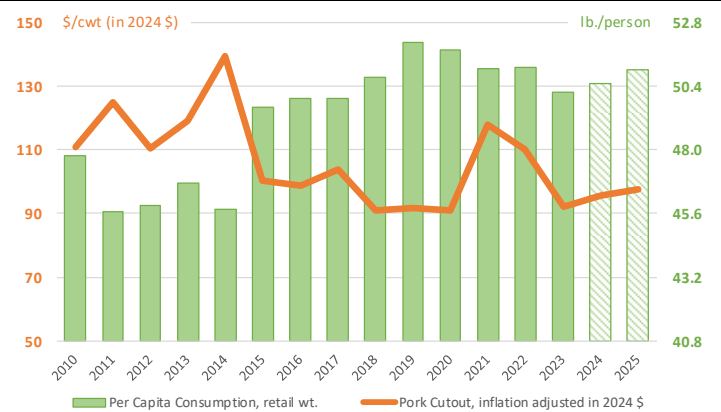
**3. Hog Slaughter Expectations going into Thanksgiving.**

Thanksgiving is late this year so this will skew some of the year/year comparisons. This week

Price Ratio of Boneless Center Cut, Strap Off Pork Loins vs. B/S Chicken Breasts. 2010 - 2024  
Data Source: USDA-AMS. Analysis by Steiner Consulting



Per Capita Pork Consumption (retail wt.) vs. Inflation Adjusted Pork Cutout  
Data source: USDA + Steiner Analysis and Projections



should be a full production week but will it? Pork packer margins were in good shape until not long ago but have suddenly turned negative. The gross margins last week was down about \$13/head (-23%) vs. two weeks ago. That's largely a result of the \$5/cwt decline in the value of the cutout but weak by product values do not help. LMIC is currently estimating the value of pork by-products at around \$23/head, down \$6 (-21%) compared to a year ago. So what will packers run this week and next? Saturday slaughter tends to be big in the fall as there are more hogs that need to be processed. But the incentive to run Saturday shifts fades quickly when margins get compressed. Currently, hogs scheduled for Saturday slaughter are down about 78k head vs. the week before. Saturday slaughter this week could easily be around 150-160k head, coincidentally similar to the pre-Thanksgiving week in 2022. If true, it could put hog slaughter this week at 2.59 million, the lowest in four weeks.

## **Product Update**

**Hog Market. For the week ending November 16 hog slaughter was 2.633 million head, down 0.6% from a year ago. In the last two weeks hog slaughter is up 0.2% vs. year ago levels.**

**Iowa/Minnesota, Base Negotiated Purchase for Barrows and Gilts.** Lean hog carcass values at about 88.93 /cwt. on Friday were down \$1.7/cwt since Wed. November 6. Prices are up about 13.2 \$/cwt compared to year ago values.

**Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA** (page 8). Prices finished last week at \$0.9488, down about 3.1 cents since the Wed. November 6 quote and down about 7 cents from year ago levels.

**Bnls. Strap on Pork Loins.** Prices finished the week at \$1.3514 for the strap on loins, down 4.6 cents since Wed. November 6 and down 2 cents from the year ago levels. Strap off loins at \$1.5940 are down one cent since Wed. November 6 and down about 3 cents compared to the year ago quote.

**Boneless sirloins** at \$1.2856 were up about 4 cents from the Wed. November 6 quote and up about 1.9 cents from the year ago price.

**Pork tenderloin** finished last week at \$1.6955, up one cent since the Wed. November 6 quote and up about 56.0 cents from the year ago price.

**1/4 Trim Pork Butts** (page 10), prices finished the week at \$1.2075, up 3.0 cents since Wed. November 6. Prices are up 4 cents from a year ago.

**Spareribs, Trimmed - LGT, Vac** (page 8). Prices finished the week at \$1.7263, up about 3 cents since Wed. November 6 and up about 51 cents from year ago levels.

Rib inventories on September 30 were 67.2 million pounds, up 9.5% from a year ago.

### **Bone-in Hams**

17/20 hams (page 9) price was last quoted at \$1.0148/lb. up 2 cents since Wed. November 6 and up about 12 cents from a year ago.

20/23 hams finished the week at 94.03 cents (page 130) down about 11 cents since Wed. November 6 but up about 3 cents from the year ago level.

23/27 hams finished the week at 90.54 , down about 3 cents from the Wed. November 6 quote but up about 3 cents from the year ago level.

Total ham cold storage stocks on September 30 at 153.5 million pounds were up 2.6% from year ago levels.

**42 CL Pork Trim** "FOB Basis". Prices finished the week at 50.56 cents, down about 7.6 cents since Wed. November 6 but up about 6 cents from the year ago price.

**72 CL Pork Trim** "FOB Basis". Prices finished the week at 85.96 cents, down 0.2 cents since the Wed. November 6 quote but up about 13 cents from the year ago levels.

Freezer stocks of all trimmings on September 30 were 36.0 million pounds, down 5.8% from the year ago levels.

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

## **POULTRY**

### **Whole Broilers**

The National Whole Bird price was quoted at 134.11 on Friday, November 15, up about 12 cents from a year ago.

Broiler slaughter for the week ending November 9 was 172.39 million head, up 2.04% from a year ago. For the last two weeks broiler slaughter was up 1.9% vs. a year ago.

**Breasts.** Prices on boneless skinless breasts finished the week at \$1.4749, down 2 cents since

Wed. November 6 but up about 42 cents from year ago levels.

Leg Quarters. Last week leg quarter prices at 51.67 cents per pound prices were up about 0.36 cents vs. two weeks ago and were up 10 cents from a year ago.

Wings. Prices at \$1.8924 are up about 33 cents from year ago levels.

## Turkeys

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

Hens finished last week at \$0.9778, up 3 cents since Wed. November 6 but down about 8 cents from the year ago price.

Toms finished last week at \$1.0450, up 15 cents since Wed. November 6 but down about 1 cent from the year ago price.

Total turkey supplies in the freezer on September 30 were up 1.4% from a year ago at 427.2 million pounds. Whole birds were down 0.4% from a year ago with an inventory of 228.2 million pounds.

Turkey slaughter was 4.5570 million head for the week ending November 9, up 0.35%

from a year ago. For the last two weeks slaughter has been down 5.22%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at \$1.9500, down since Wed. November 6. Prices are down about 65 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 \$12.8222 (weighted average quote) finished last week down about 4 cents since the Wed. November 6 quote but up about 90 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at \$9.9208 (weighted average quote) finished last week up about one cent since the Wed. November 6 quote and up about 62 cents vs. the year ago price.

Currently Choice 112A Rib Eyes are \$2.9014 /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 \$3.3466 for 90CL and \$0.7519 for 50CL product, an 81CL meat block value is now \$2.7628 and a 78CL meat block is \$2.5682. Choice 114, 3 Clods are now being priced 46.34 cents over 81CL meat block grinding values of 90s and 50s. A year ago the spread was 93.52 cents and the five year average spread for is 49.49 cents over.

Choice #161 Boneless Rounds finished last week at \$3.70, unchanged since Wed. November 6 and down about 6 cents from year ago levels.

Choice regular #168 insides finished last week quoted at \$2.8255 down about 34 cents since Wed. November 6 and down about 12 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at \$3.0591 down about 12 cents since Wed. November 6 but down about 9 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at \$3.1250 down about 53 cents since Wed. November 6 but up about 32 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at \$7.7151 (wt. avg.) down about

34 cents from the Wed. November 6 quote. Prices are up 30 cents from year ago levels.

**Choice #184 Regular Heavy top butts** finished at \$3.9313 (wt. avg.) **up** about 3 cents since Wed. November 6 but **up** about **3** cents from year ago levels.

**Choice #184 ¼ inch trimmed Top Butts** finished at \$3.9186 (wt. avg.) down about 19 cents since Wed. November 6 but up about 21 cents from the year ago levels.

**Choice #185A Flap Meat** prices finished Friday at \$6.7049 (wt. avg.) down about 46 cents since Wed. November 6 but up about 52 cents from year ago values.

## **COARSE GROUND BEEF –**

**73CL Coarse Ground** product finished last week at **\$2.2098 up** about 7 cents since Wed. November 6 and up about 20 cents from year ago levels.

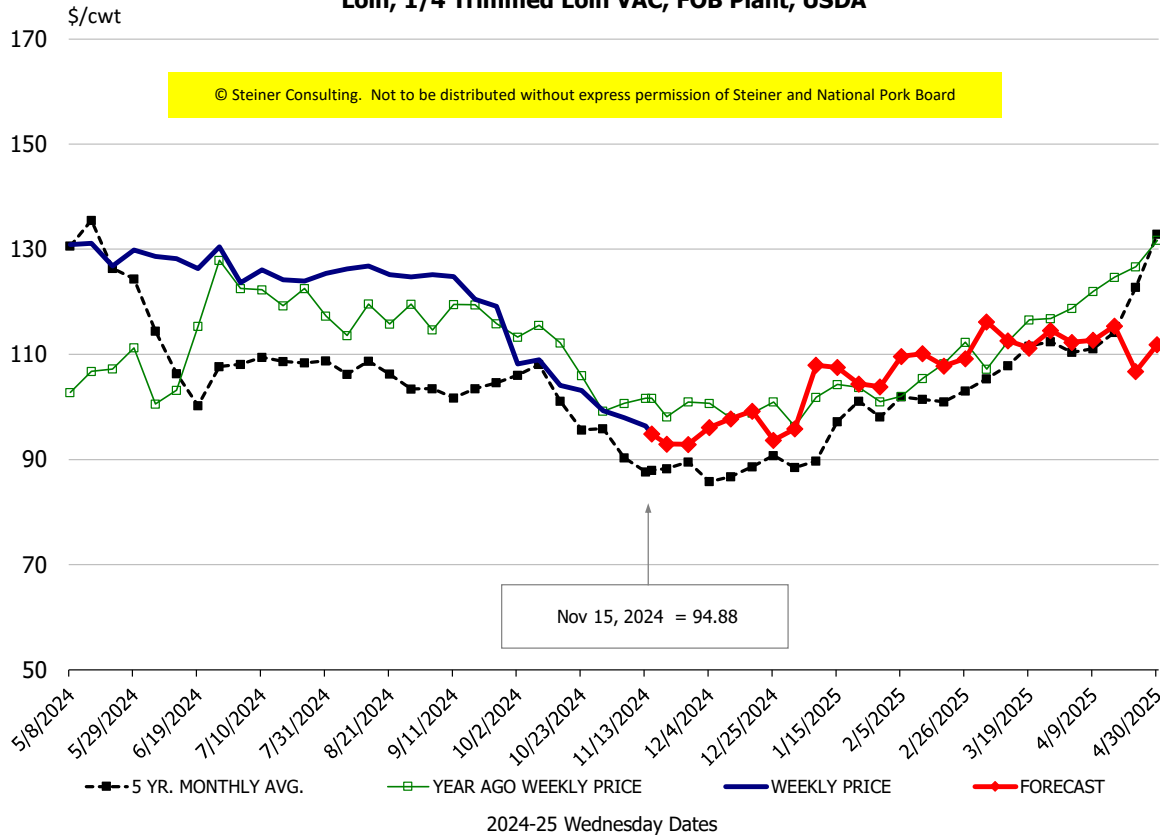
**81CL Coarse Ground** product finished last week at \$2.4504 up about 6 cents since Wed. **November 6 and up** about **one** cent from the year ago quote.

**90CL Bnls. Beef** prices finished the week at **\$3.3466** (wt. avg.) **down 2.00** cents since Wed. November 6 but up 61 cents compared to the year ago price quote. **50 CL Beef Trim** prices finished last week at \$0.7519, up about 0 cents since Wed. November 6 and up 12 cents compared to year ago levels.

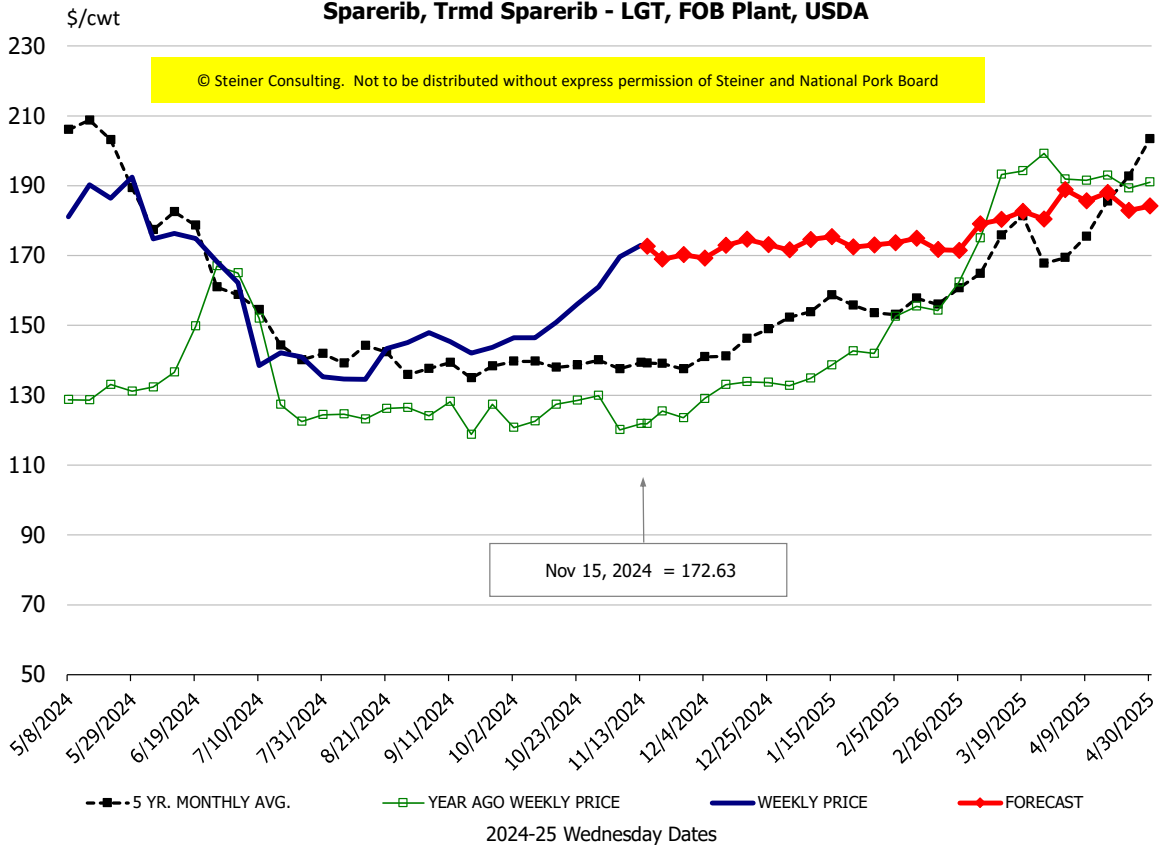
# Protein Summary Table - WT. AVE.

	HISTORY								FORECAST						
	May	Jun	Jul	Aug	Sep	Oct	11/6/2024	11/15/2024	11/27/2024	Nov	Dec	Jan	Feb	Mar	Apr
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<b>PORK</b>															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	130.3	128.4	124.9	125.5	123.3	105.2	97.9	94.88	93	95	97	105	109	113	114
Loin, 1/8 Trimmed Loin VAC, FOB Plant, USDA	139.1	138.6	133.2	131.3	129.7	115.8	98.2	102.62	101	103	103	108	113	121	122
Loin, Bnls CC Strap-off, FOB Plant, USDA	184.5	180.9	170.1	166.5	166.4	164.9	160.1	159.40	155	160	168	167	168	169	173
Loin, Tenderloin, FOB Plant, USDA	182.2	176.5	170.2	174.5	180.2	181.2	168.7	169.55	166	169	170	175	180	183	191
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	138.3	133.0	120.7	110.8	109.9	110.3	112.9	112.20	106	110	114	109	104	111	121
Sparerib, Trmrd Sparerib - LGT, FOB Plant, USDA	183.7	170.7	143.8	137.9	144.6	151.8	169.7	172.63	170	171	172	173	174	179	188
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	268.6	270.4	271.2	266.9	241.5	254.3	243.8	262.60	267	269	275	277	284	284	293
Sparerib, Trmrd Sparerib - MED, FOB Plant, USDA	187.7	171.2	145.9	137.7	136.7	152.0	175.8	174.76	173	173	175	175	176	177	182
Loin, Backribs 2.0#/up, FOB Plant, USDA	257.0	260.3	239.9	220.5	218.8	222.2	224.0	227.84	226	227	233	245	243	248	256
Ham, 17-20# Trmrd Selected Ham, FOB Plant, USDA	89.5	93.2	99.6	108.0	92.9	92.4	100.0	101.48	102	100	96	78	77	87	85
Ham, 20-23# Trmrd Selected Ham, FOB Plant, USDA	85.9	88.5	106.6	97.4	90.3	88.1	105.2	94.03	96	95	91	76	74	82	84
Ham, 23-27# Trmrd Selected Ham, FOB Plant, USDA	86.1	88.5	111.8	94.5	87.3	86.0	93.9	90.54	94	91	90	73	72	81	83
Belly Cutout, FOB Plant, USDA	123.7	124.4	128.7	135.7	126.3	146.2	171.2	148.24	153	152	124	132	142	140	133
Belly, Derind Belly 9-13#, FOB Plant, USDA	155.9	163.9	161.1	165.3	152.4	172.2	214.5	183.86	177	195	165	164	175	165	159
Belly, Derind Belly 13-17#, FOB Plant, USDA	150.3	148.5	156.9	160.4	152.1	175.0	209.5	179.80	172	185	159	158	169	159	153
Trim, 42% Trim Combo, FOB Plant, USDA	61.0	55.2	59.3	85.0	66.0	76.3	58.2	50.56	53	53	46	48	51	63	64
Trim, 72% Trim Combo, FOB Plant, USDA	95.8	95.3	90.3	101.3	87.7	94.7	86.2	85.96	82	86	80	82	85	87	96
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	119.4	119.5	120.8	121.7	122.2	113.9	106.8	104.32	105	104	104	102	99	100	111
Carcass Cutout, FOB Plant, USDA	100.3	98.9	100.0	98.9	94.9	97.0	102.2	97.52	94	97	90	89	90	91	94
<b>HOG CARCASS</b>															
CME 1-Day Lean Hog Index	91.5	90.8	90.0	89.9	84.8	84.8	90.6	88.93	89	90	79	80	83	85	88
<b>BROILERS</b>															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	131.4	131.8	132.1	129.8	131.4	133.2	133.5	134.11	133	134	132	132	132	133	135
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	182.0	172.2	176.1	189.5	191.2	154.0	149.4	147.49	148	148	135	137	147	151	168
N.E. BROILER BREAST LINE RUN, USDA	106.1	106.5	105.6	107.2	107.7	107.3	107.5	107.64	107	107	105	105	105	112	115
N.E. BROILER LEG QUARTERS, USDA	50.8	52.7	52.2	51.9	52.6	51.8	51.3	51.67	52	51	50	50	51	51	52
N.E. BROILER WINGS, USDA, WT.AVG.	231.1	252.7	262.7	243.4	231.9	207.8	189.0	189.24	189	189	205	214	230	225	225
<b>TURKEYS</b>															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	102.2	99.6	93.8	95.3	91.7	100.3	94.7	97.78	99	96	100	100	100	105	108
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	97.4	98.2	97.0	89.6	101.8	103.1	89.4	104.50	99	97	103	103	103	105	108
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	228.8	220.0	220.0	220.0	217.5	199.8	196.0	195.00	199	196	195	195	195	195	205
<b>LIVE STEERS</b>															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	187.0	191.2	195.2	189.8	183.1	187.7	189.9	185.37	189	187	186	188	189	193	194
<b>BEEF</b>															
CHOICE, 112A, 3, USDA,RIBEYE, BONELESS, HEAVY, WT.AVG.	963.3	1064.1	953.8	957.5	1022.9	1165.8	1286.7	1282.22	1362	1310	1210	979	989	1044	1072
CHOICE, 161, 1, USDA,ROUND, BONELESS, WT. AVG.	361.8	356.9	376.1	380.7	374.3	370.0	370.0	370.00	373	370	357	373	369	365	359
CHOICE, 168, 3, TOP INSIDE ROUND, 1/4" MAX, WT. AVG., USDA	321.5	334.3	367.6	365.4	336.2	329.9	318.1	305.91	304	310	314	331	334	342	338
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	293.4	300.9	314.9	318.5	297.8	306.7	365.1	312.50	319	328	313	317	308	305	294
CHOICE, 180, 3, USDA,STRIP LOIN, BONELESS, 0X1, WT. AVG.	986.9	1111.0	906.8	702.8	661.0	740.9	805.4	771.51	768	794	820	847	866	969	990
CHOICE, 184, 3, USDA,TOP BUTT, BONELESS, WT. AVG.	476.6	528.8	531.8	496.8	453.3	402.8	410.9	391.86	402	398	427	475	480	496	507
CHOICE, 185A, 4, USDA,BOTTOM SIRLOIN, FLAP, WT. AVG.	717.0	725.0	847.5	752.8	656.0	686.6	716.7	670.49	659	681	668	740	763	800	849
USDA,COARSE GROUND 73%, WT. AVG.	231.1	262.8	278.8	282.0	227.2	222.7	214.2	220.98	217	219	215	265	248	247	262
COARSE GROUND 81%, WT. AVG., USDA	294.0	315.3	329.7	336.3	296.3	287.0	239.1	245.04	242	244	253	312	307	309	324
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	349.8	362.6	373.4	374.0	361.3	348.4	336.7	334.66	326	330	334	347	352	359	362
USDA, 50CL BEEF TRIM, FRESH, NATIONAL, WT. AVG.	74.9	87.4	126.9	158.3	102.9	67.4	74.7	75.19	76	75	89	109	124	148	164

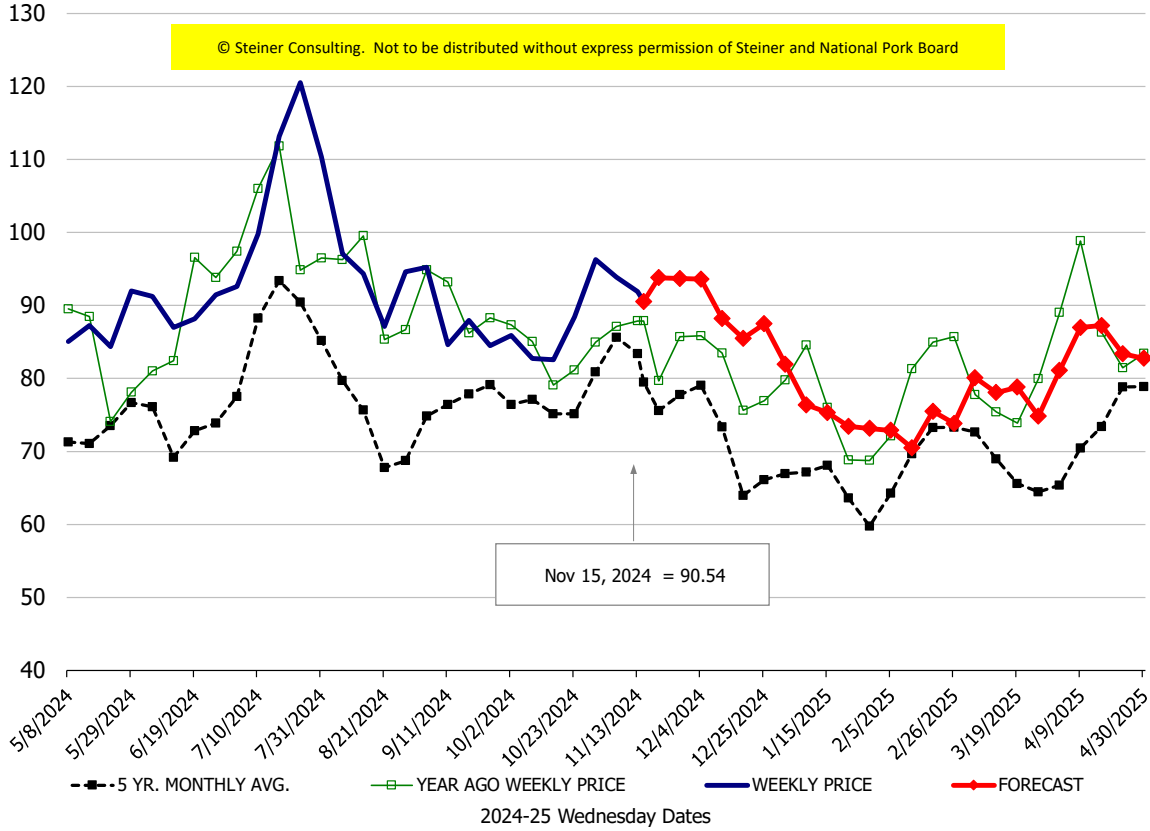
**Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA**



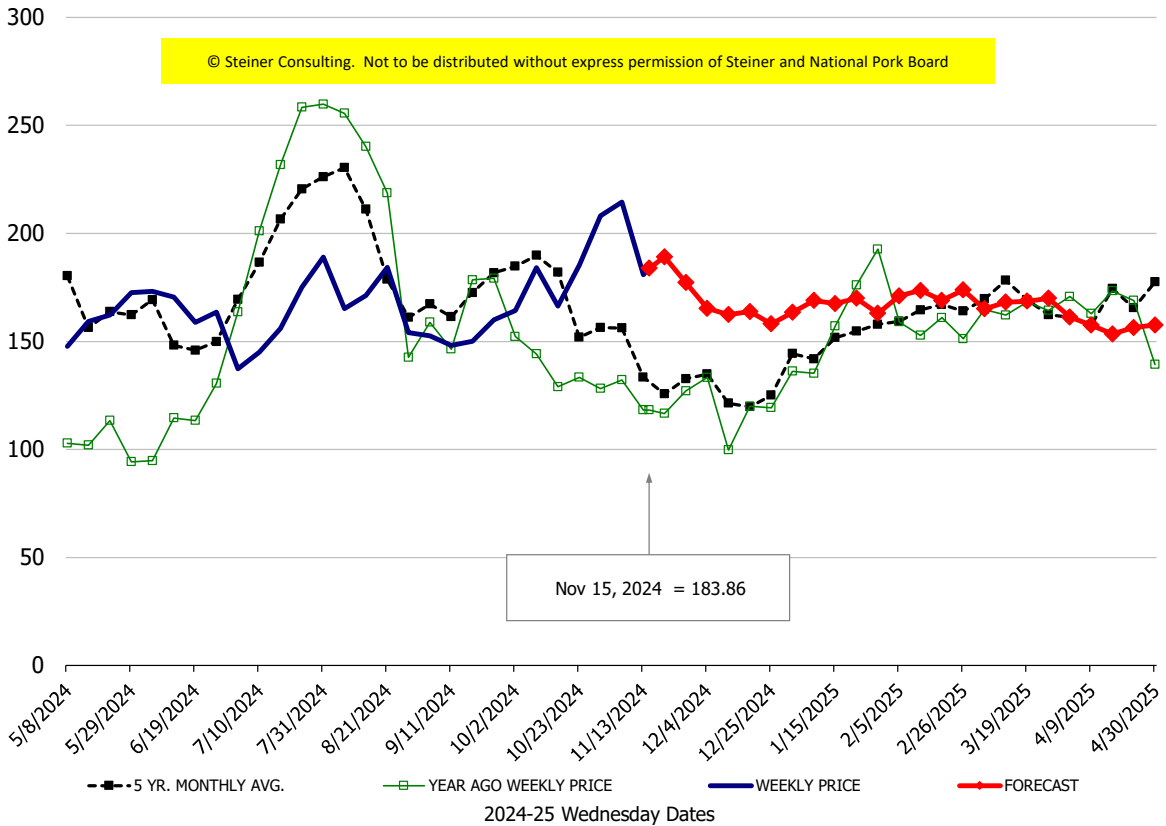
**Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA**



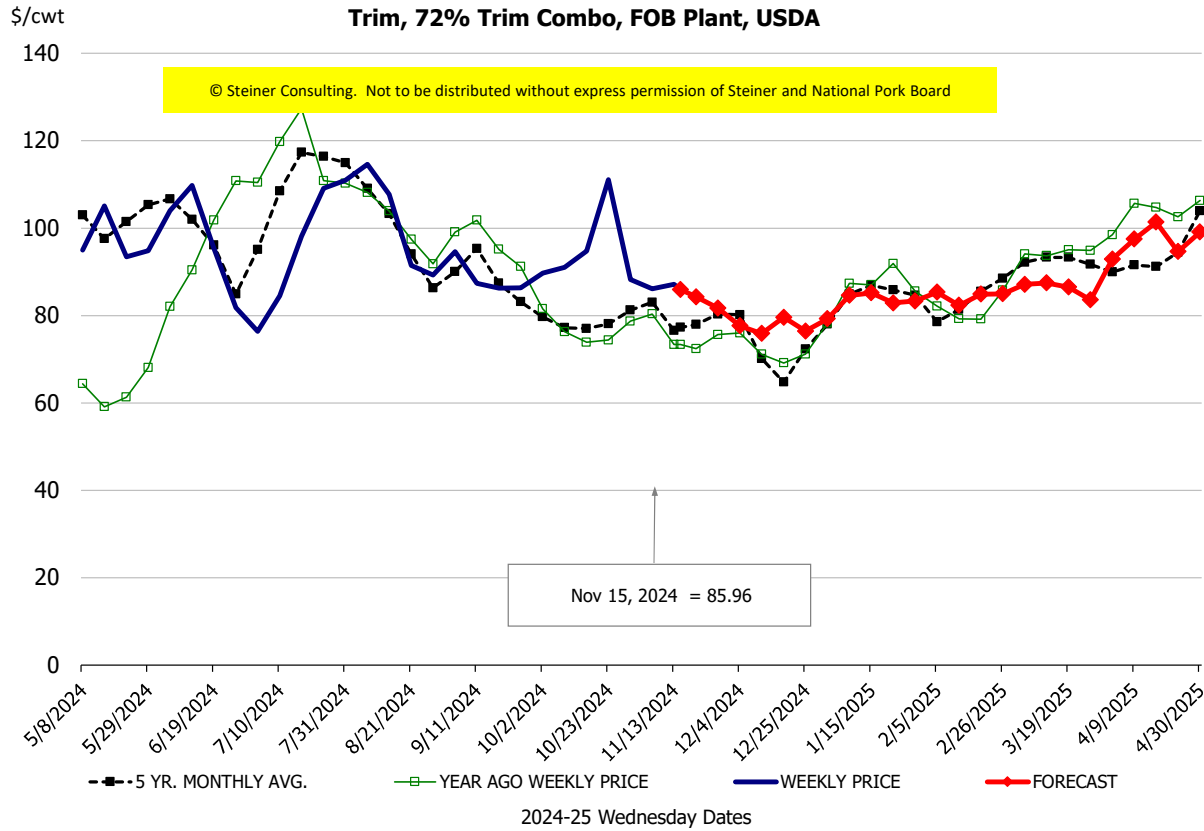
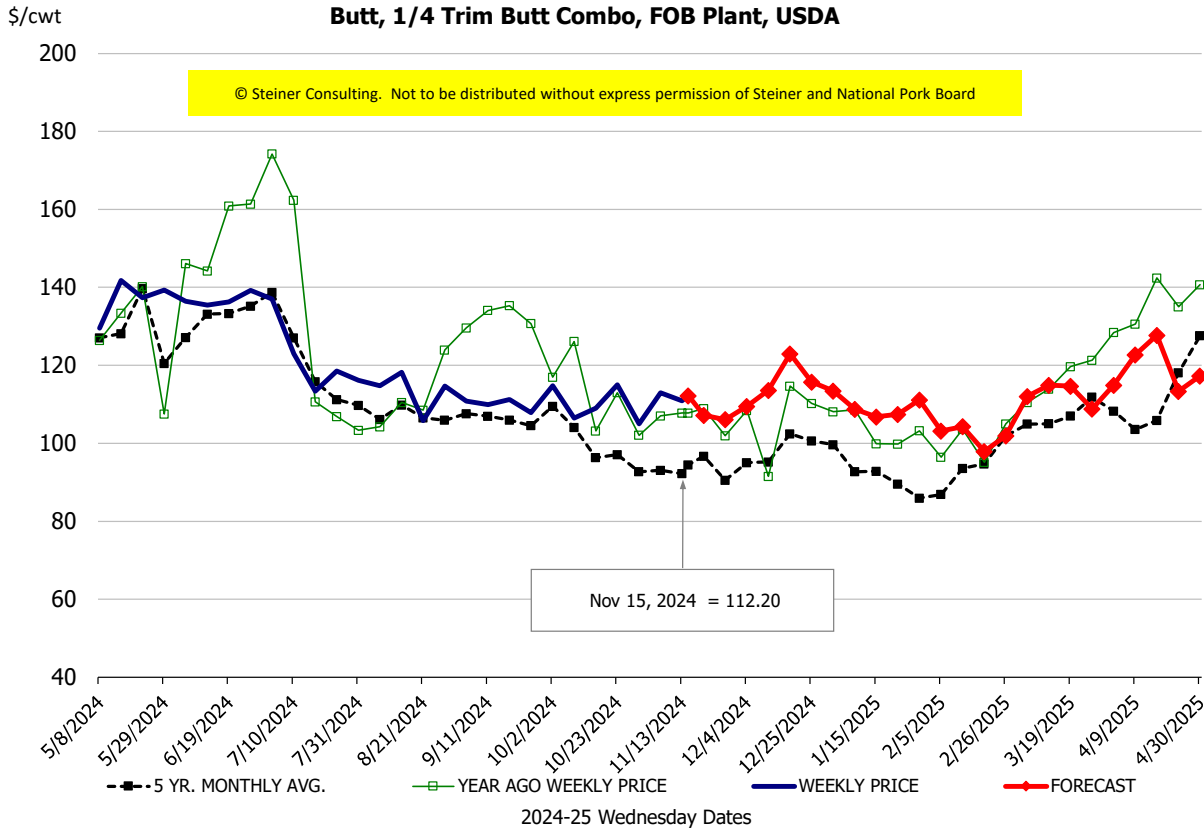
### Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA



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

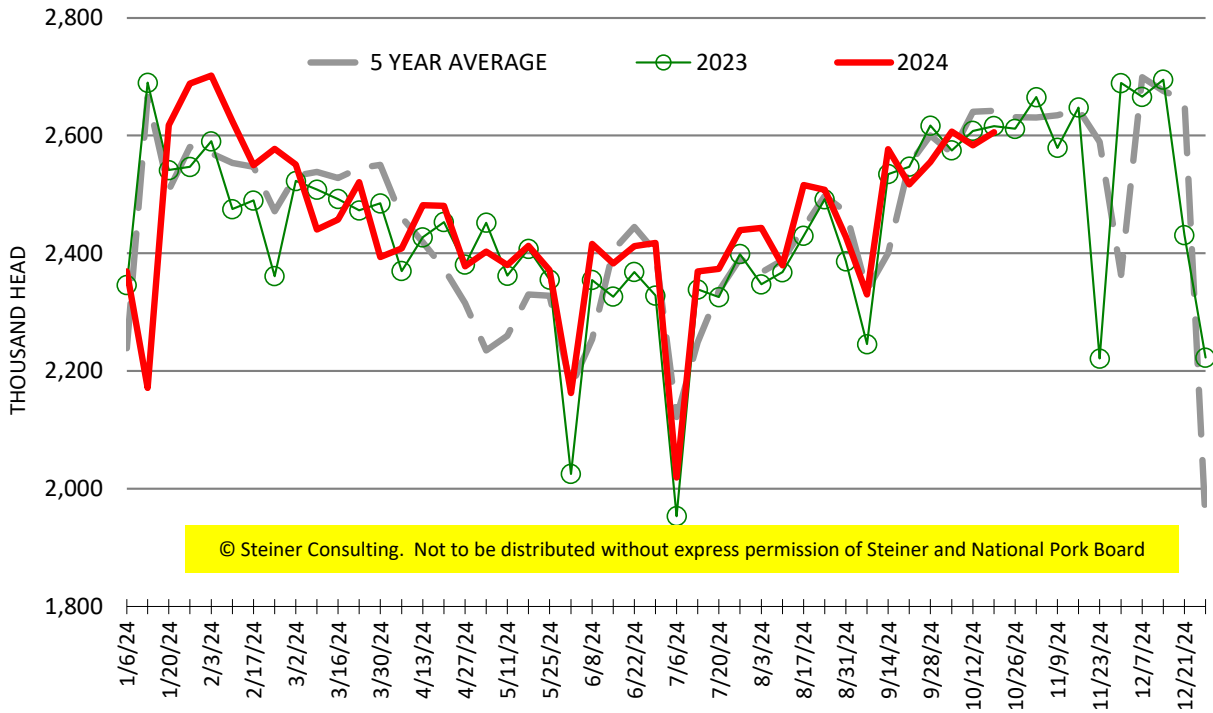






# ESTIMATED WEEKLY FI HOG SLAUGHTER

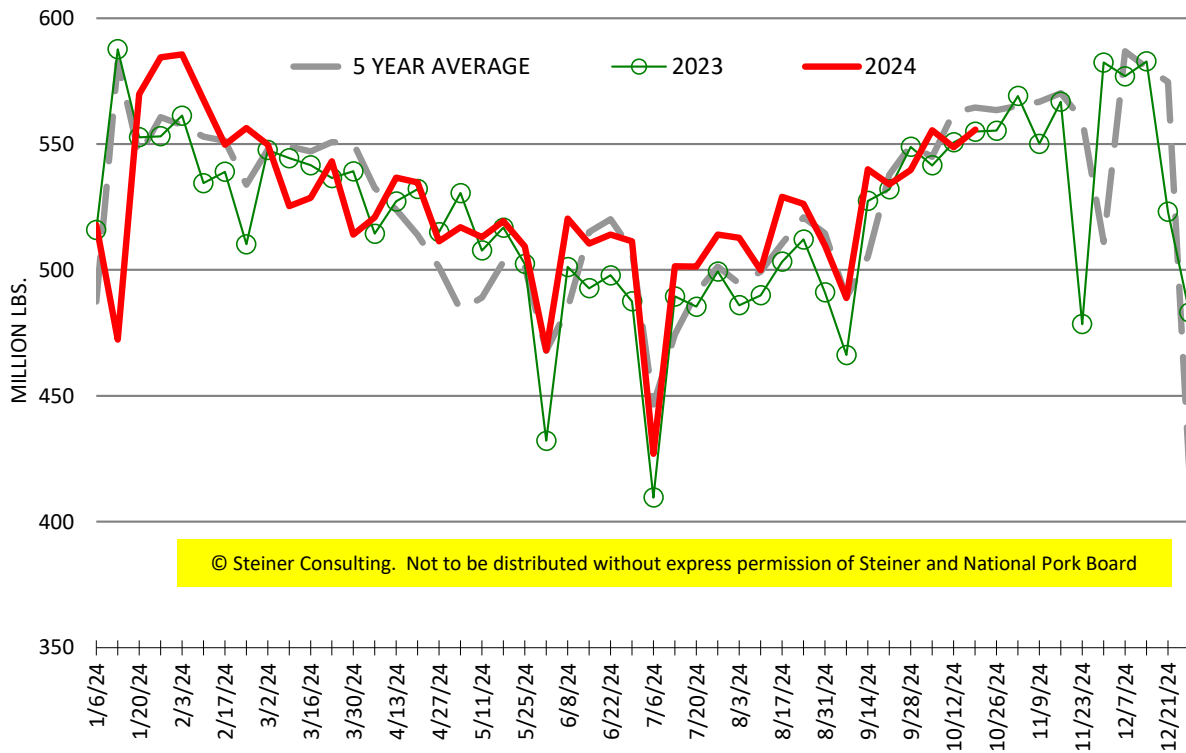
Source: USDA, '000 head



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# ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds



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