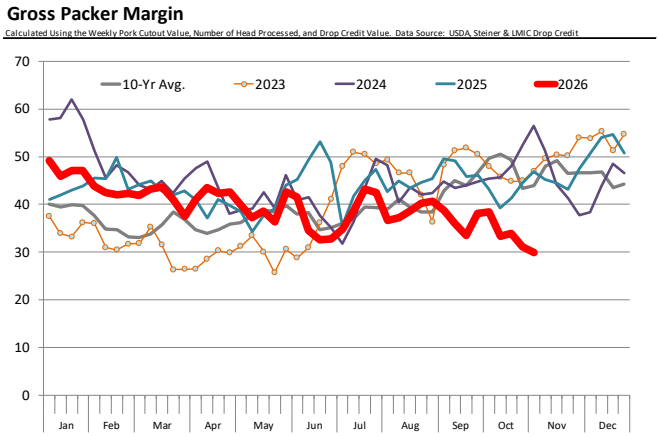
Pork Merchandiser's **Profit Maximizer**

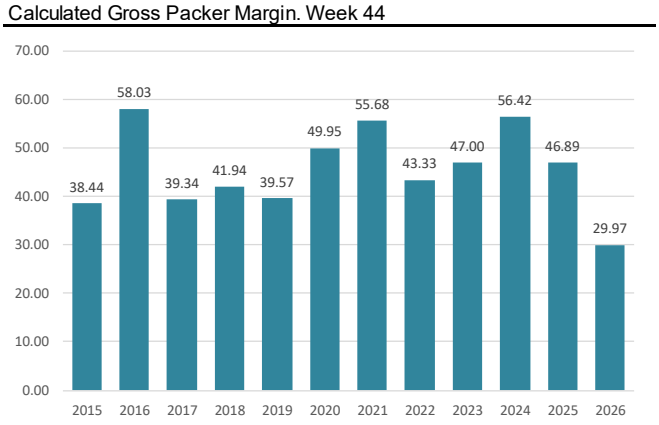
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Prepared by Steiner and Company, Manchester, NH 800-526-4612.

November 2, 2026

Hog/Pork Market Situation

Pork packer margins were pressured further this week and that does not bode well for the CME index, at least in the near term. Our calculation of a gross packer margin (what packers receive for wholesale pork and byproducts minus what they pay for hogs) last week was around $30/head, $5 less than the previous week. Current margin is 17% lower than a year ago and the lowest it has been in over 10 years. That's in nominal dollars. When adjusted for inflation current margin is probably the lowest for this time of year since 2008. There is no clean way to calculate margins given the level of vertical integration and the various ways in which hogs are priced. So rather than focusing on the absolute value, the charts below are more useful for looking at the trend. Usually packer margins get a boost in Q4 as hog supplies increase and packers gain leverage in negotiating hog prices. However, persistent weakness in the cutout has created significant headwinds for packers. This will have a twofold impact. In the current environment packers are likely to slow down the pace of slaughter, resulting in ever increasing weights for hogs, especially producer owned hogs. USDA has been revising lower its slaughter estimates as fewer actual hogs were processed than earlier estimated.





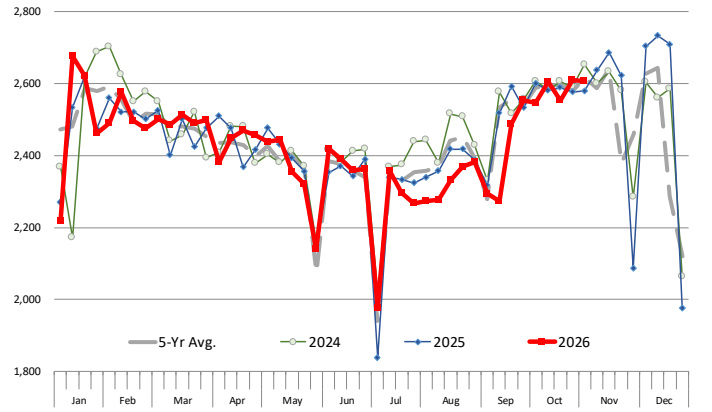
Over the years, the cutout has become increasingly important in determining the value of the CME Index, but negotiated cash hog prices remain significant, even if their full impact is not immediately apparent. Last week, USDA reported that 21,138 hogs were sold by producers on a negotiated basis out of 1.27 million producer-owned hogs reported into the MPR system (packer owned hogs were another 1.15 million). The negotiated trade was just 1.7% of the producer owned total. USDA also reported that 706,337 hogs were priced using swine or pork market formulas, some of which are tied to negotiated cash hog prices. Since we don't know the exact share, we can estimate the impact of negotiated cash prices using a regression of the CME Index against cash hog prices and the pork cutout. Using daily data for the last 12 months, we found that a $10 change in the cash hog price was associated with a $3.50 change in the index, while a $10 change in the cutout was associated with a $4.80 change. The regression explained 92% of the variation in the calculated one-day CME Index. Pricing lags and differences in formula arrangements likely account for some of the unexplained variation. The goal was not to replicate the index calculation but to evaluate how sensitive it is to the two benchmarks.

Impact of cash hogs over the CME index has faded a bit over time but remains significant. The seasonal increase in hog supplies and carcass weights is likely to increase competition for shackle space. With packer margins already compressed, cash hog bids are likely to remain under pressure. In September we noted how cash hog values were starting to trend as they did in 2023, a year producers would like to forget. That year cash hog prices declined into the mid-$40s by December (see chart). December lean hog futures are currently trading at $59/cwt, $7/cwt lower than current levels. That may appear to be a steep discount until you consider that if cash hog values drop to the low 40s (which is where they are trading) that alone can shave $7-8 from the value of the index. And that assumes a steady cutout.

Price risk for hog prices is skewed to the downside in the near term. We have revised our forecasts lower through Q1. The expectation is that aggressive pricing will eventually get packers cleaned up. What is less clear is whether there has been a more persistent shift in demand, one that would require further supply adjustments on the part of producers.

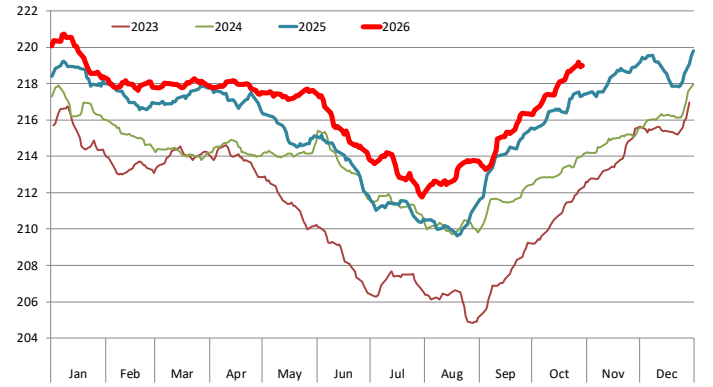
WEEKLY HOG SLAUGHTER. '000 HEAD

Source: USDA. Analysis by Steiner Consulting



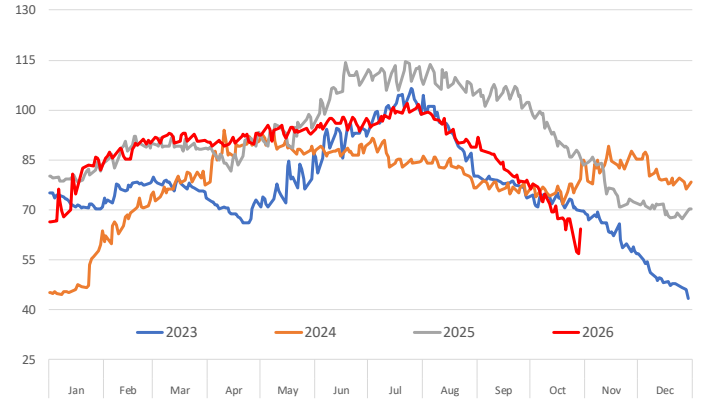
Barrow/Gilt Dressed Carcass Weights, 5-day Moving Avg. - Producer Hogs

Based on Daily MPR Report, LM_HG201. Data through Oct 29, 2026. Analysis by Steiner Consulting



Daily Cash Hog Prices. National Price. Negotiated. $/cwt

Source: USDA-AMS (LM_HG200). Analysis by Steiner Consulting



Product Market Update

Iowa/Minnesota, Base Negotiated Purchase for Barrows and Gilts. Lean hog carcass values at about 79.92 /cwt. on Friday were down $2.3/cwt since Wed. September 23. Prices are down about $23.8/cwt compared to year ago values.

Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA (page 8). Prices finished last week at $0.8412, down about 5.4 cents since the Wed. October 21 quote and down about 17 cents from year ago levels.

Bnls. Strap on Pork Loins. Prices finished the week at $1.2026 for the strap on loins, down 3.4 cents since Wed. October 21 and down 12 cents from the year ago levels.

Strap off loins at $1.4012 are down 6.9 cents since Wed. October 21 and down about 17 cents compared to the year ago quote.

Boneless sirloins at $1.0689 were down about 7 cents from the Wed. October 21 quote and down about 34.3 cents from the year ago price.

Pork tenderloin finished last week at $1.7671, up 10 cents since the Wed. October 21 quote but down about 2.2 cents from the year ago price.

1/4 Trim Pork Butts (page 10), prices finished the week at $1.0270, down 7.3 cents since Wed. October 21. Prices are down 9 cents from a year ago.

Spareribs, Trimmed - LGT, Vac (page 8). Prices finished the week at $1.4770, down about 4 cents since Wed. October 21 and down about 19 cents from year ago levels.

Rib inventories on September 30 were 63.3 million pounds, up 5.3% from a year ago.

Bone-in Hams 17/20 hams (page 9) price was last quoted at $0.7064/lb. down 8 cents since Wed. October 21 and down about 32 cents from a year ago.

20/23 hams finished the week at 65.86 cents (page 130) down 2 cents since Wed. October 21 and down about 30 cents from the year ago level.

23/27 hams finished the week at 59.74 , down about 0.2 cents from the Wed. October 21 quote and down about 36 cents from the year ago level.

Total ham cold storage stocks on September 30 at 160.7 million pounds were up 27.8% from year ago levels.

42 CL Pork Trim "FOB Basis". Prices finished the week at 34.33 cents, down about 12.7 cents since Wed. October 21 and down about 54 cents from the year ago price.

72 CL Pork Trim "FOB Basis". Prices finished the week at 53.98 cents, down 14.2 cents since the Wed. October 21 quote and down about 55 cents from the year ago levels.

Freezer stocks of all trimmings on September 30 were 27.8 million pounds, down 12.6% 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 26 cents average in the previous six months.

POULTRY

Whole Broilers

The National Whole Bird price was quoted at 129.38 on Friday, October 30, up about 5 cents from a year ago.

Broiler slaughter for the week ending October 24 was 168.51 million head, down 2.42% from a year ago. For the last two weeks broiler slaughter was down 1.1% vs. a year ago.

Breasts. Prices on boneless skinless breasts finished the week at $1.1180, down 1 cent since Wed. October 21 and down about 2 cents from year ago levels.

Leg Quarters. Last week leg quarter prices at 53.72 cents per pound prices were up about 0.81

cents vs. two weeks ago and were up 9 cents from a year ago.

Wings. Prices at $1.0710 are up about 1 cent from year ago levels.

Turkeys

The prices below reflect weekly quoted USDA prices.

Hens finished last week at $1.8700, up 7 cents since Wed. October 21 and up about 18 cents from the year ago price.

Toms finished last week at $1.8850, up 4 cents since Wed. October 21 and up about 25 cents from the year ago price.

Total turkey supplies in the freezer on September 30 were down 4.5% from a year ago at 359.8 million pounds. Whole birds were down 10.7% from a year ago with an inventory of 195.8 million pounds.

Turkey slaughter was 4.1910 million head for the week ending October 24, down 1.94% from a year ago. For the last two weeks slaughter has been down 1.57%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at $3.0800, unchanged since Wed. October 21. Prices are down about 414 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 $15.6252 (weighted average quote) finished last week up about 8 cents since the Wed. October 21 quote and up about 115 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at $13.5837 (weighted average quote) finished last week up about 134 cents since the Wed. October 21 quote and up about 29 cents vs. the year ago price.

Currently Choice 112A Rib Eyes are $2.0415 /lb. below Select. The 2025 annual average spread (wt. average price) had the Choice at a premium to the Select by $1.5031 per pound and the 2021-2025 five year average spread was Choice at a premium to the Select by $1.73 per pound.

81CL Meat Block With prices at $3.7736 for 90CL and $0.8366 for 50CL product, the 81CL meat block value is now $3.1128 and the 78CL meat block is $2.8925. Choice 114, 3 Clods are now being priced 104.41 cents under 81CL meat block grinding values of 90s and 50s. A year ago the spread was 31.03 cents and the five year average spread for is 48.17 cents over.

Choice regular #168 insides finished last week quoted at $3.5430 up about 5 cents since Wed. October 21 but down about 34 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at $3.6260 up about 14 cents since Wed. October 21 but down about 33 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at $3.8182 down about 8 cents since Wed. October 21 and down about 17 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at $9.0892 (wt. avg.) down about 22 cents from the Wed. October 21 quote. Prices are down 63 cents from year ago levels.

Choice #184 Regular Heavy top butts finished at $506.87 (wt. avg.) **down** about 8 cents since Wed. October 21 and **down** about 18 cents from year ago levels.

Choice #184 ¼ inch trimmed Top Butts finished at $4.8706 (wt. avg.) down about 14 cents

since Wed. October 21 and down about 43 cents from the year ago levels.

Choice #185A Flap Meat prices finished Friday at $7.2816 (wt. avg.) up about 12 cents since Wed. October 21 but down about 57 cents from year ago values.

COARSE GROUND BEEF –

73CL Coarse Ground product finished last week at $**2.5756 up** about 6 cents since Wed. October 21 but down about 75 cents from year ago levels.

81CL Coarse Ground product finished last week at $3.2416 down about 21 cents since Wed. **October 21 and down** about **21** cents from the year ago quote.

90CL Bnls. Beef prices finished the week at $**3.7736** (wt. avg.) **down 7.07** cents since Wed. October 21 and down 32 cents compared to the year ago price quote.

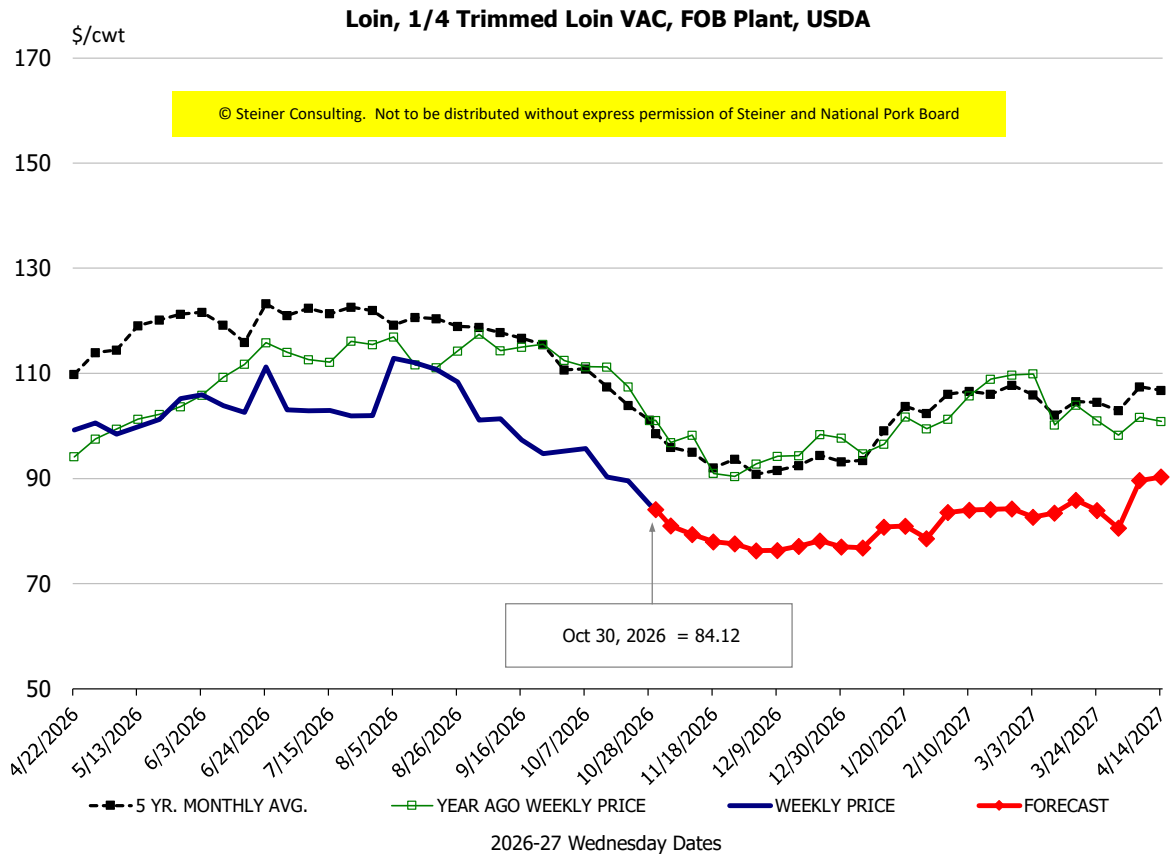
50 CL Beef Trim prices finished last week at $0.8366, up about 0.1 cents since Wed. October 21 but down 77 cents compared to year ago levels.

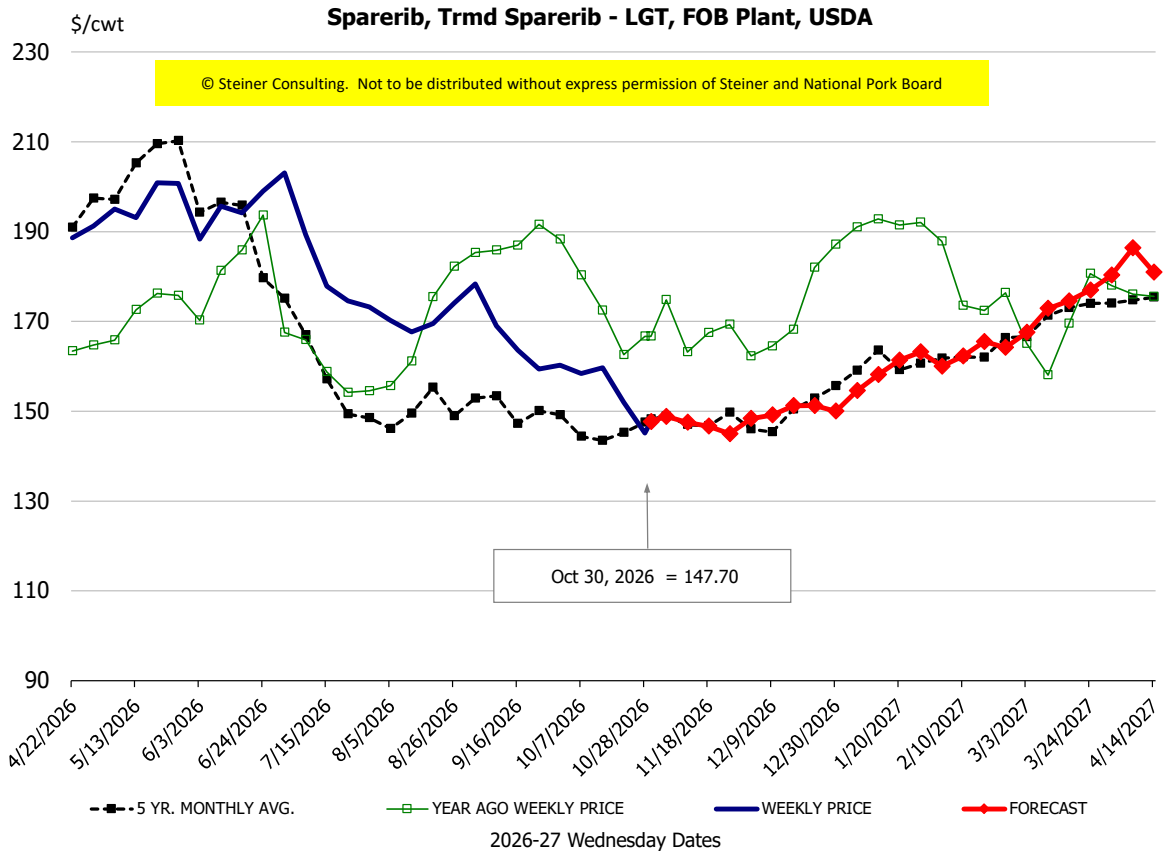
Protein Summary Table - WT. AVE.

	HISTORY								FORECAST						
	May	Jun	Jul	Aug	Sep	Oct	10/21/2026	10/30/2026	11/11/2026	Nov	Dec	Jan	Feb	Mar	Apr
PORK															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	101.2	104.5	103.2	108.8	97.7	89.2	89.6	84.12	79	79	77	79	84	84	91
Loin, 1/8 Trimmed Loin VAC, FOB Plant, USDA	111.5	115.8	115.6	119.9	112.3	102.0	98.9	96.54	87	87	84	87	94	95	100
Loin, Bnls CC Strap-off, FOB Plant, USDA	158.2	157.7	154.5	154.8	148.2	142.6	147.0	140.12	137	137	137	141	143	146	154
Loin, Tenderloin, FOB Plant, USDA	192.6	197.6	194.0	191.1	190.1	180.2	166.3	176.71	164	168	169	178	179	179	178
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	156.9	137.1	108.3	111.3	105.1	104.6	98.1	102.73	104	100	103	100	101	106	116
Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA	196.2	192.4	181.2	171.7	166.0	154.5	152.0	147.70	148	147	150	158	163	173	184
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	269.7	278.9	284.7	271.8	276.2	262.2	255.1	261.39	221	219	218	227	241	252	265
Sparerib, Trmd Sparerib - MED, FOB Plant, USDA	196.0	193.6	184.2	172.9	171.8	158.5	155.1	150.11	152	152	150	157	161	171	182
Loin, Backribs 2.0#/up, FOB Plant, USDA	296.9	298.4	273.7	263.7	255.3	244.8	231.1	241.47	240	237	240	258	270	282	292
Ham, 17-20# Trmd Selected Ham, FOB Plant, USDA	85.5	84.0	97.7	87.5	97.8	78.1	79.0	70.64	86	85	82	68	68	78	80
Ham, 20-23# Trmd Selected Ham, FOB Plant, USDA	82.3	78.4	97.2	78.5	85.5	74.3	67.4	65.86	75	74	75	62	61	72	75
Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA	82.1	81.3	98.8	76.3	82.7	64.4	60.0	59.74	70	70	71	60	63	70	73
Belly Cutout, FOB Plant, USDA	119.2	118.9	142.5	159.9	107.1	85.3	77.7	74.24	82	79	78	107	115	124	127
Belly, Derind Belly 9-13#, FOB Plant, USDA	147.0	143.4	172.5	195.3	126.5	105.9	100.2	96.40	101	99	97	133	143	154	157
Belly, Derind Belly 13-17#, FOB Plant, USDA	145.6	142.9	167.0	193.2	121.5	103.8	95.1	93.30	99	97	96	131	142	153	155
Trim, 42% Trim Combo, FOB Plant, USDA	66.6	86.0	73.8	85.6	77.0	49.0	47.0	34.33	45	43	37	40	47	57	62
Trim, 72% Trim Combo, FOB Plant, USDA	104.9	104.2	94.3	89.8	90.5	66.9	68.1	53.98	67	65	68	74	75	81	91
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	109.5	106.4	103.6	98.4	96.5	83.5	83.3	74.78	83	82	87	83	81	88	101
Carcass Cutout, FOB Plant, USDA	97.0	96.7	101.3	98.8	89.5	78.4	74.5	72.03	74	77	75	76	79	83	88
HOG CARCASS															
CME 1-Day Lean Hog Index	90.8	92.1	95.4	94.3	85.3	77.1	73.0	66.30	67	67	61	64	67	71	75
BROILERS															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	129.0	128.5	127.8	126.8	125.4	127.9	127.3	129.38	129	129	129	130	132	134	135
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	154.6	134.7	125.3	121.1	121.2	115.1	113.0	111.80	112	112	118	128	140	167	191
N.E. BROILER BREAST LINE RUN, USDA	108.4	112.4	125.8	116.1	105.4	101.8	101.1	108.17	103	103	100	107	110	115	121
N.E. BROILER LEG QUARTERS, USDA	57.2	59.7	58.9	53.6	53.4	53.3	52.9	53.72	54	54	55	55	55	55	57
N.E. BROILER WINGS, USDA, WT.AVG.	87.5	85.1	114.4	122.5	110.8	109.2	110.5	107.10	114	115	120	127	130	110	108
TURKEYS															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	175.5	179.5	180.3	181.6	181.0	183.6	179.9	187.00	190	188	180	164	164	158	153
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	176.0	180.0	181.2	183.0	184.3	186.3	184.5	188.50	190	189	180	163	163	157	152
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	538.0	457.0	370.8	308.5	308.0	308.0	308.0	308.00	316	315	315	318	345	358	359
LIVE STEERS															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	259.7	257.2	246.1	229.9	221.5	223.7	224.7	226.53	221	221	222	224	228	230	233
BEEF															
CHOICE, 112A, 3, USDA,RIBEYE, BONELESS, HEAVY, WT.AVG.	1165.6	1279.0	1256.7	1395.4	1526.8	1558.4	1554.4	1562.52	1564	1615	1523	1249	1256	1290	1338
CHOICE, 161, 1, USDA,ROUND, BONELESS, WT. AVG.	418.0	418.0	418.0	418.0	433.0	455.8	456.0	456.00	432	433	422	424	443	441	437
CHOICE, 168, 3, TOP INSIDE ROUND, 1/4" MAX, WT. AVG., USDA	424.3	425.9	407.9	407.3	385.7	367.3	348.4	362.60	374	371	364	403	416	431	425
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	414.9	390.5	372.9	378.1	390.8	384.9	390.2	381.82	380	378	366	383	385	380	364
CHOICE, 180, 3, USDA,STRIP LOIN, BONELESS, 0X1, WT. AVG.	1083.9	1110.9	908.8	932.3	977.0	940.6	931.0	908.92	909	910	903	926	1027	1088	1127
CHOICE, 184, 3, USDA,TOP BUTT, BONELESS, WT. AVG.	594.0	567.9	523.2	505.3	512.4	492.1	501.5	487.06	515	519	519	544	586	602	631
CHOICE, 185A, 4, USDA,BOTTOM SIRLOIN, FLAP, WT. AVG.	971.6	894.7	804.6	810.8	761.5	727.2	716.0	728.16	745	743	760	832	918	930	960
USDA,COARSE GROUND 73%, WT. AVG.	337.4	358.3	311.9	290.0	263.8	248.4	252.0	257.56	270	267	275	302	319	308	332
COARSE GROUND 81%, WT. AVG., USDA	399.6	416.0	362.5	348.0	337.4	335.4	345.2	324.16	322	322	318	337	380	360	379
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	461.8	461.3	461.4	453.9	427.2	395.1	384.4	377.36	387	385	380	400	426	445	456
USDA, 50CL BEEF TRIM, FRESH, NATIONAL, WT. AVG.	186.4	185.0	167.3	124.9	91.4	91.4	83.6	83.66	94	91	88	110	122	137	154

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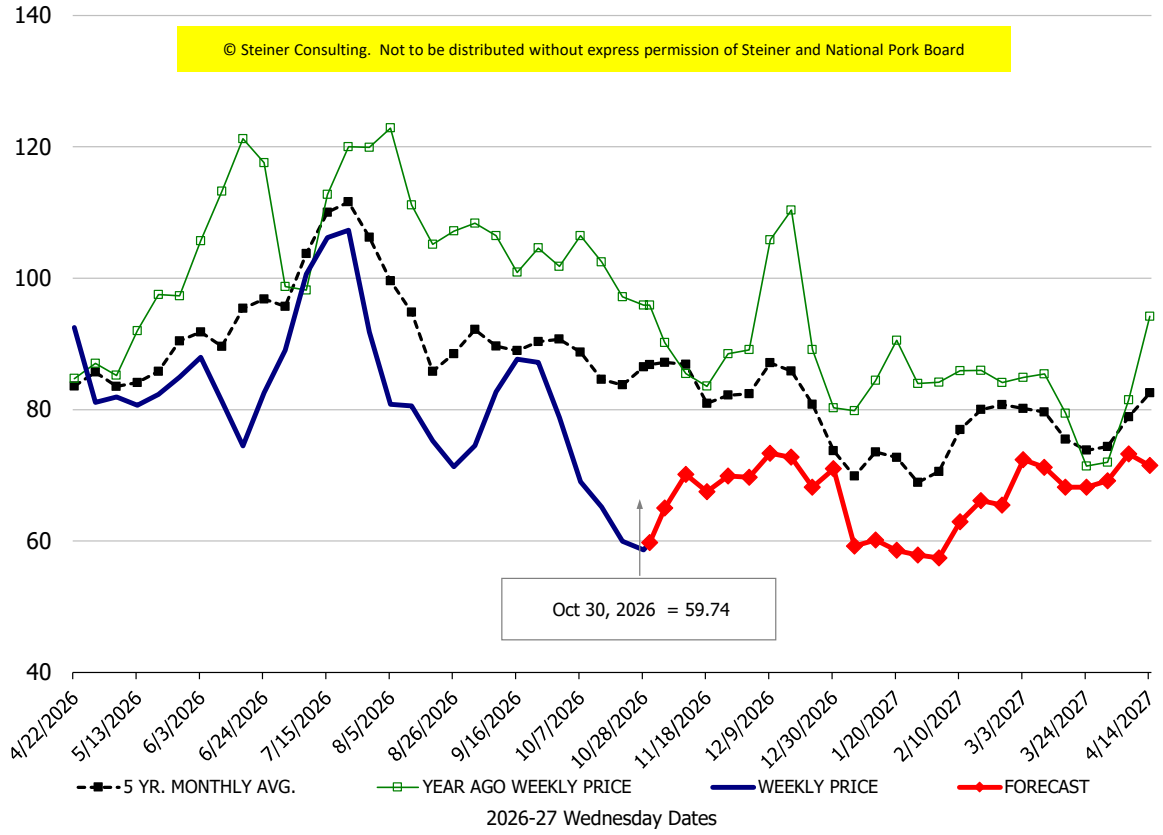
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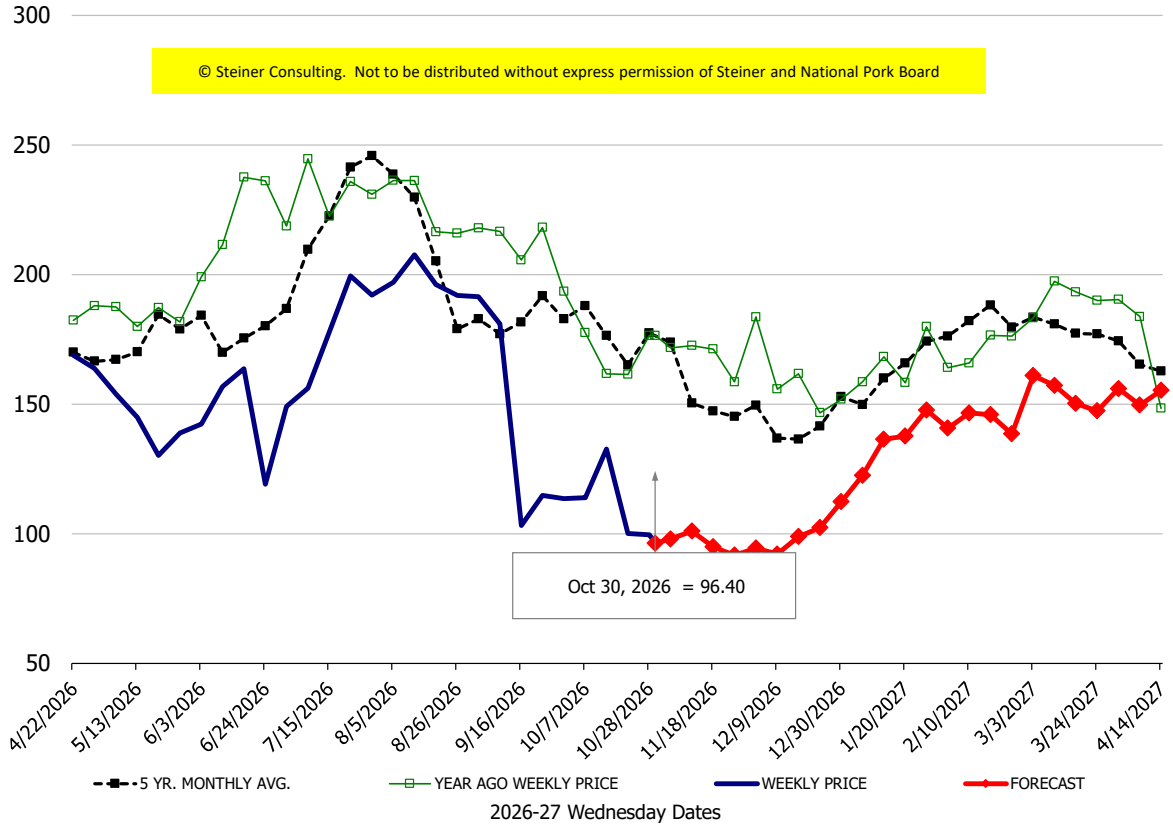


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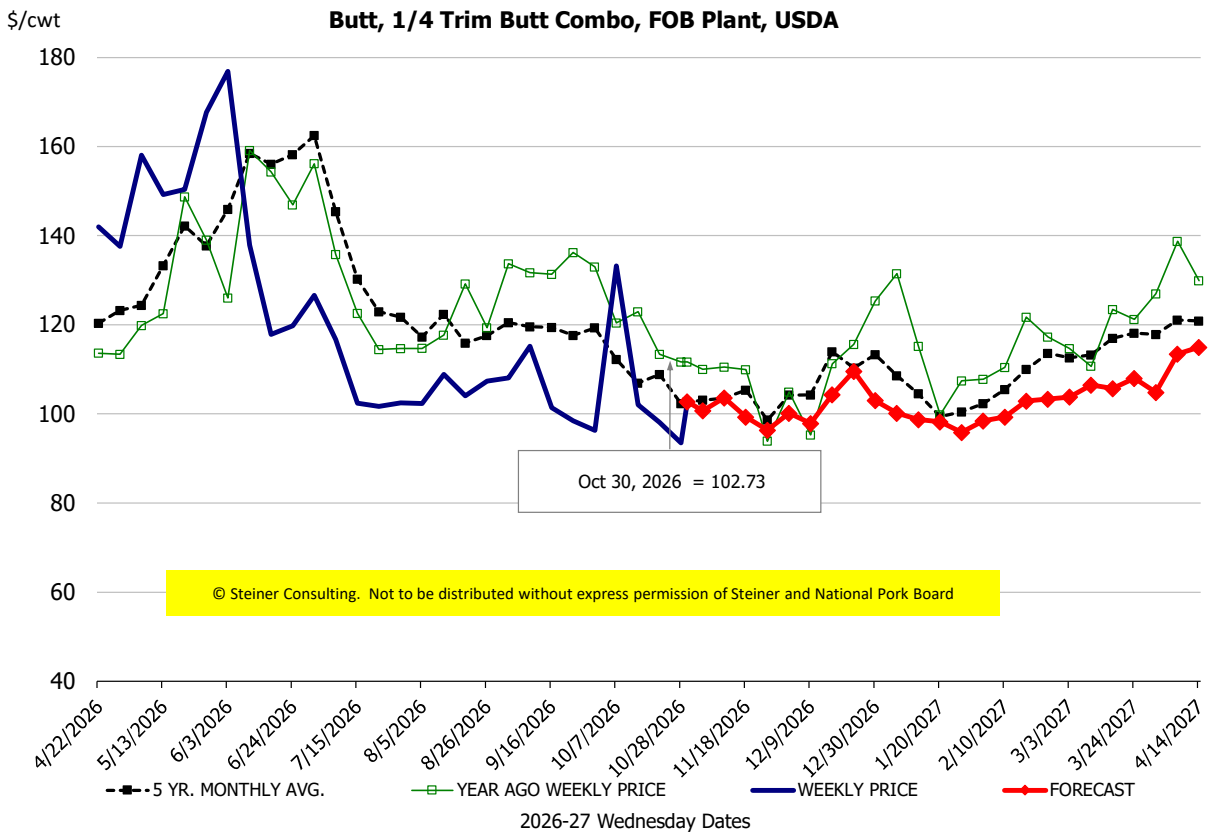
Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA

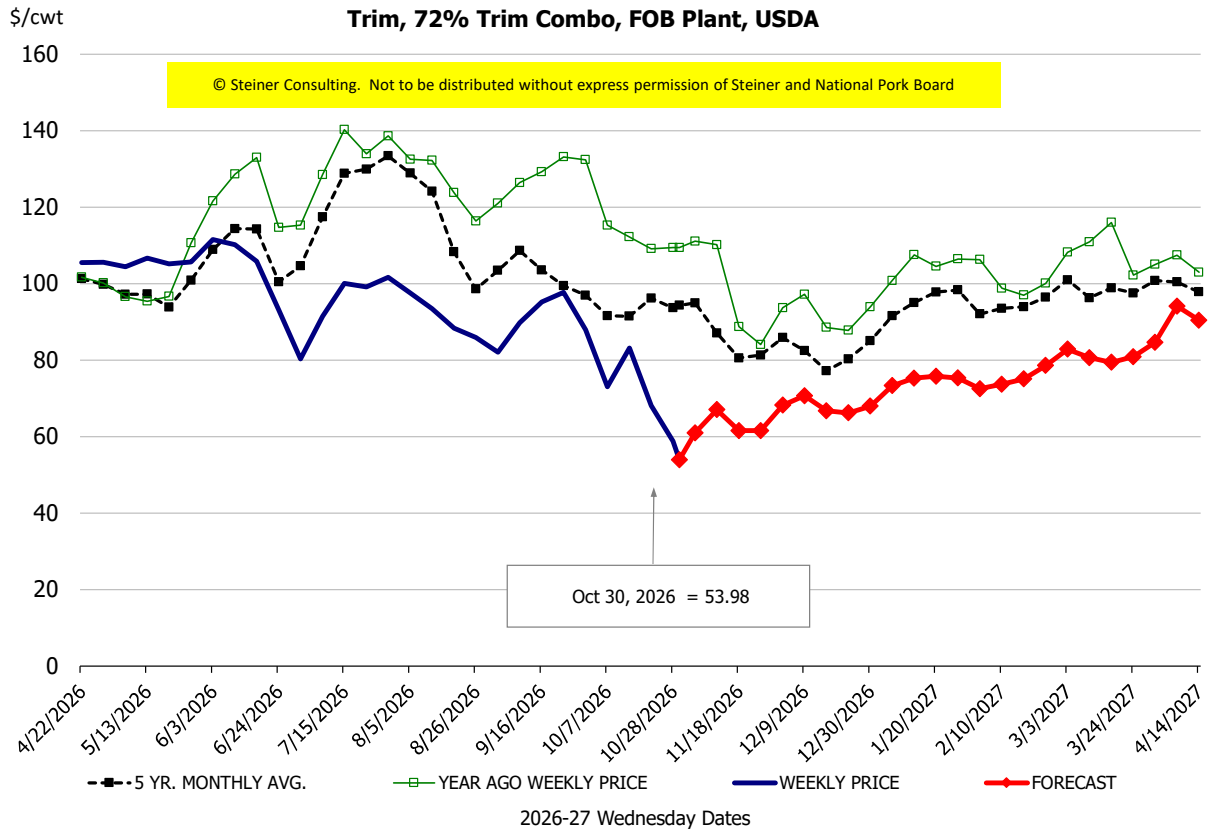


Belly, Derind Belly 9-13#, FOB Plant, USDA



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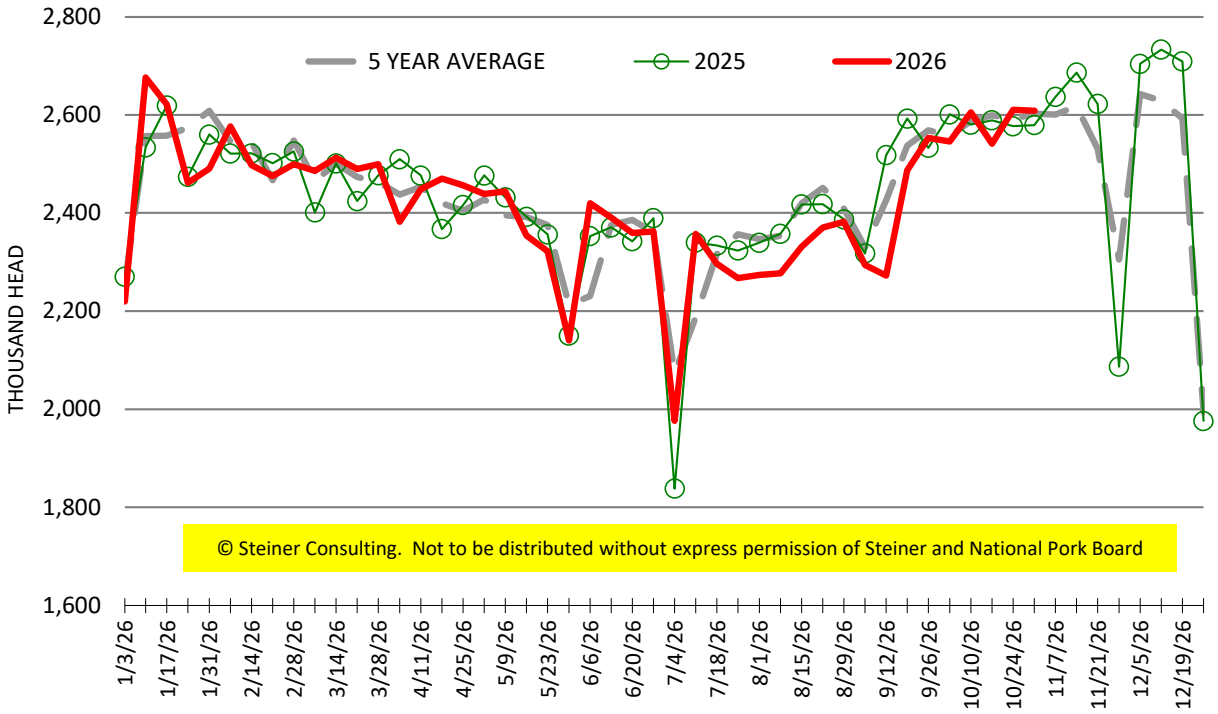




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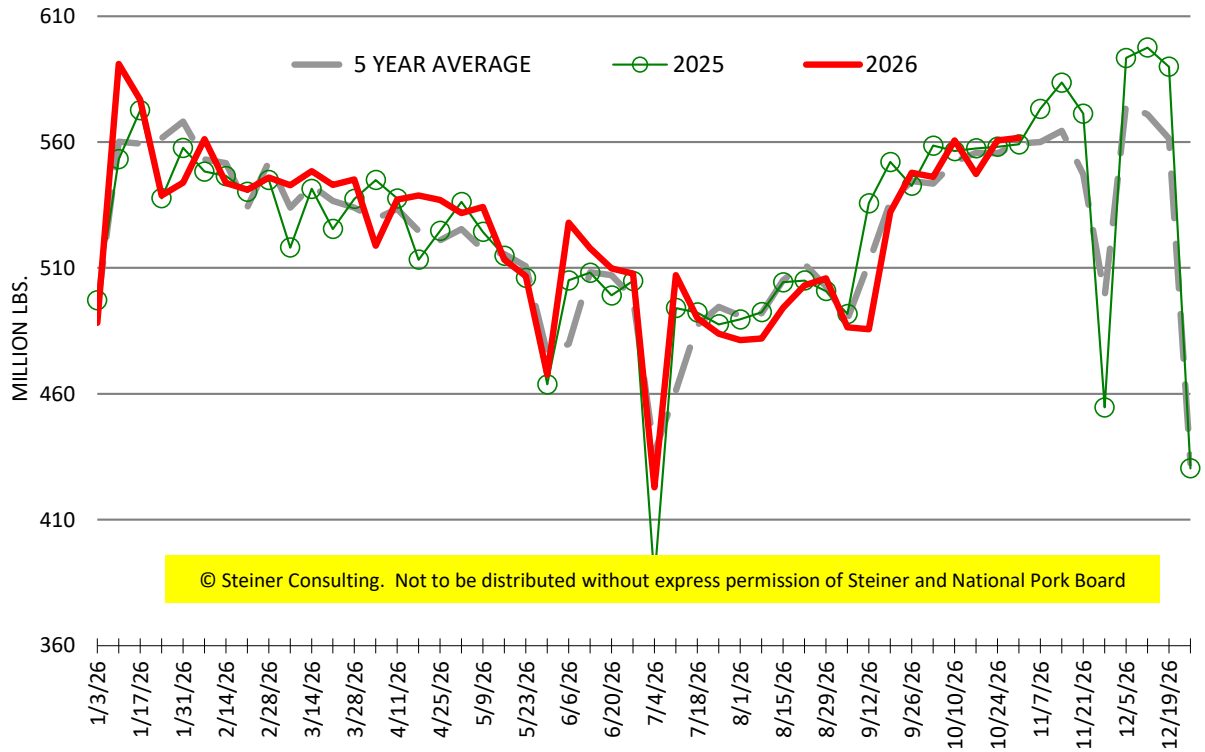
ESTIMATED WEEKLY FI HOG SLAUGHTER

Source: USDA, '000 head



ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds



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