



# Pork Merchandiser's Profit Maximizer

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

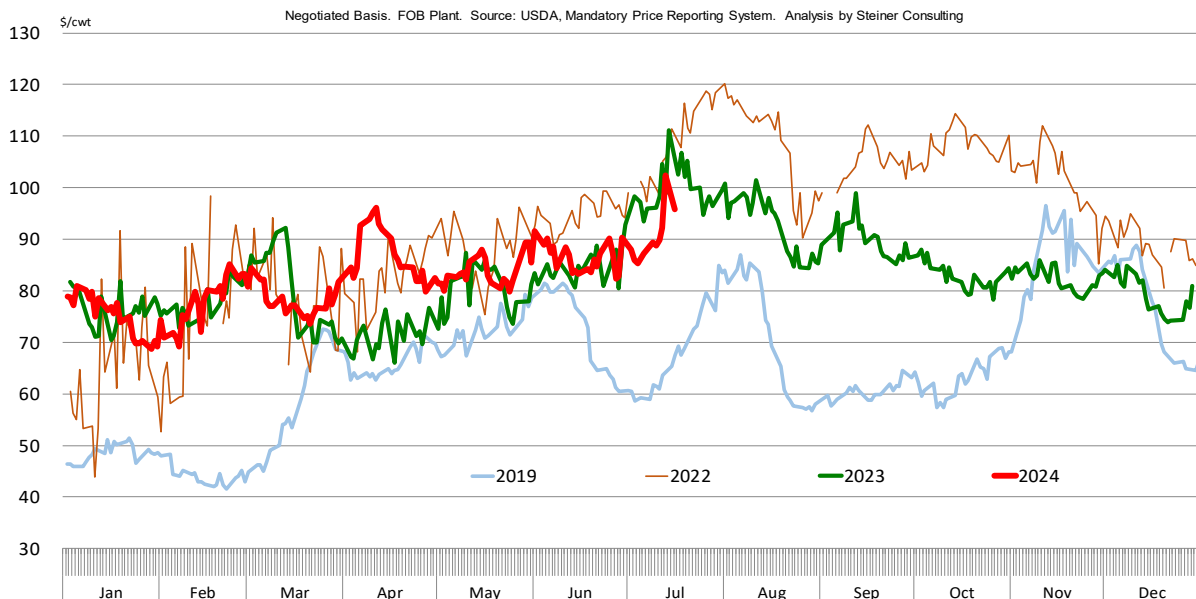
July 15, 2024

## 1. Ham prices firm...for now but rest of the complex struggles.

So much for the weak Mexican Peso killing sales to that market. On May 18, it took less than 16.6 Mexican Peso to buy \$1 worth of US products. Following the shock results of the election, and market concerns about future fiscal policy, the Peso dropped sharply and by June 12,

it took as much as \$18.75 peso to buy the US dollar value. The currency decline effectively increased the price of US products going to Mexico by more than 12%. Devaluation combined with the seasonal price increase for pork products, including hams, during the summer months was expected to significantly limit US pork sales to the Mexican market. Instead, sales in three of the last four weeks have been some of the best this

### HAM PRIMAL VALUE



**year.** Pork sales to Mexico for the week ending 6/6 were 14k MT. After a brief pullback for week ending 6/13, sales in the last two weeks of June were 20k MT and 35k MT, respectively. This pushed the four-week average to 18k MT/week, a level not seen since April. The higher sales to Mexico have helped bolster the value of bone-in hams as packers work to fill orders. Export sales slowed down in the latest reported week, but it will take some time for the market to adjust. For now, ham prices are one of the few positives in the pork complex as other pork items struggle to gain traction.

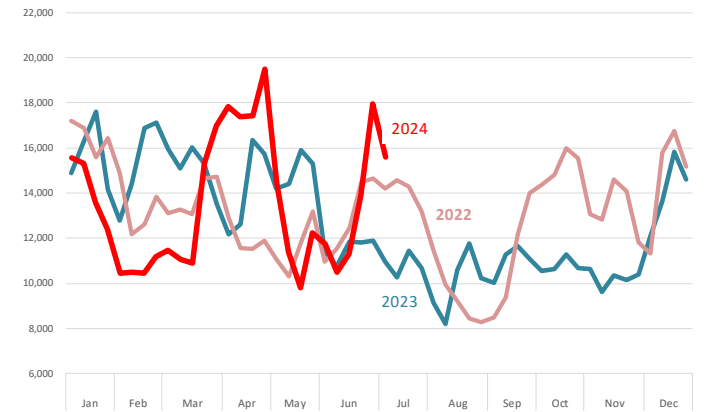
**2. USDA expects more pork in 2024 and 2025**

In its latest update USDA made only minor revisions to its supply forecasts. But that's because USDA already was counting on higher pork production in the second half of the year. The June "Hogs and Pigs" survey did little to change the outlook, at least for the remainder of the year. Total pork production at 28.154 billion pounds in 2024 is about 169 million pounds (+0.6%) higher than what was presented back in January and over 800 million pounds (+3%) higher than a year ago. Some of this is due to calendar differences and some due to more hogs/heavier weights than a year ago. USDA thinks next year pork will remain available, expected to be up 1.5%. Maybe cheap corn fixes everything but we can't help but think about the 3% reduction in the breeding herd and the fact that pigs per litter growth eventually returns to trend (maybe as early as this summer).

Per capita pork availability for all of 2024 is currently pegged at 51 pounds per person, on a retail weight basis. At the end of 2023 was at 50.9, indicating that USDA pork forecasts have been especially good. As the chart above illustrates, their forecast of domestic per capita availability has been quite stable and USDA does not expect any significant changes in 2025. Indeed, as we look at the details of the supply/demand estimates published on Friday, it is clear that USDA somehow solves for a steady per capita supply by bolstering exports. Latest forecast has US pork exports in 2024 at 7.247

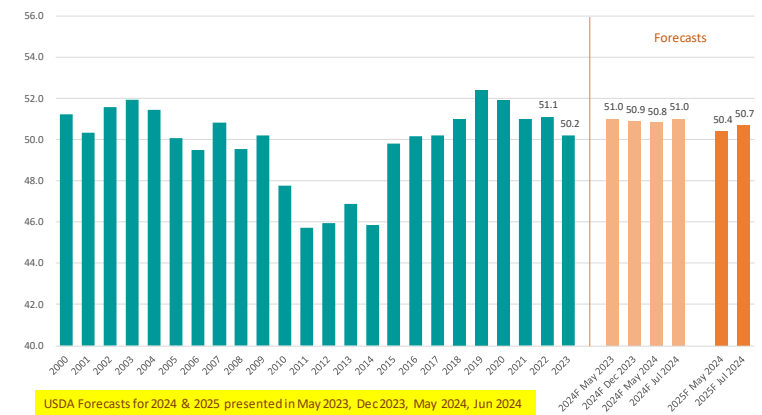
**Fresh Pork Export Sales to Mexico. 4-wk Moving Average**

Source: USDA-FAS. Analysis by Steiner Consulting. Includes Current and New Marketing Year Sales



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

Source: USDA-WASDE. Analysis by Steiner Consulting



billion for this year. Pork exports Jan-May were up 6% and USDA has raised forecasts for all of 2024 to match that pace. As for 2025, USDA thinks that exports will continue to take a big chunk of the growth in supply. And this underscores the problem with the pork market, you need those exports to clean up the spot market, otherwise much lower prices are needed to get domestic buyers to step in.

## PORK

**Hog Market. For the week ending July 13 hog slaughter was 2.386 million head, up 2.0% from a year ago. In the last two weeks hog slaughter is up 3.2% vs. year ago levels.**

**Iowa/Minnesota, Base Negotiated Purchase for Barrows and Gilts.** Lean hog carcass values at about 88.35/cwt. on Friday were down \$1.1/cwt since Wed. July 3. Prices are down about 11.9 \$/cwt compared to year ago values.

**Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA** (page 8). Prices finished last week at \$1.2569, up about 2.1 cent since the Wed. July 3 quote and up about 3 cents from year ago levels.

**Bnls. Strap on Pork Loins.** Prices finished the week at \$1.4873 for the strap on loins, up 9.0 cents since Wed. July 3 but down 16 cents from the year ago levels. Strap off loins at \$1.6677 are down 4.1 cent since Wed. July 3 and down about 7 cents compared to the year ago quote.

**Boneless sirloins** at \$1.2604 were down about 0.8 cents from the Wed. July 3 quote and down about 6.1 cents from the year ago price.

**Pork tenderloin** finished last week at \$1.7095, up 2 cents since the Wed. July 3 quote and up about 10.8 cents from the year ago price.

**1/4 Trim Pork Butts** (page 10), prices finished the week at \$1.3072, up 4.5 cents since Wed. July 3. Prices are down 32 cents from a year ago.

**Spareribs, Trimmed - LGT, Vac** (page 8). Prices finished the week at \$1.4188, down about 20 cents since Wed. July 3 and down about 10 cents from year ago levels.

Rib inventories on May 31 were 74.6 million pounds, down 6.0% from a year ago.

### **Bone-in Hams**

17/20 hams (page 9) price was last quoted at \$0.9978/lb. up 7 cents since Wed. July 3 but down about 9 cents from a year ago.

20/23 hams finished the week at 102.64 cents (page 130) up about 15 cents since Wed. July 3 but down about 4 cents from the year ago level.

23/27 hams finished the week at 104.71 , up about 12 cents from the Wed. July 3 quote but down about 1 cent from the year ago level.

Total ham cold storage stocks on May 31 at 110.7 million pounds were down 19.3% from year ago levels.

**42 CL Pork Trim** "FOB Basis". Prices finished the week at 61.14 cents, up about 16.2 cents since Wed. July 3 but down about 27 cents from the year ago price.

**72 CL Pork Trim** "FOB Basis". Prices finished the week at 87.74 cents, up 11.3 cents since the Wed. July 3 quote but down about 32 cents from the year ago levels.

Freezer stocks of all trimmings on May 31 were 43.6 million pounds, down 20.8% from the year ago levels.

**72 CL Picnic Meat** "FOB Basis". The premium of picnic meat to 72CL trim is currently at 52 cents compared to 33 cents average in the previous six months.

## POULTRY

### **Whole Broilers**

The National Whole Bird price was quoted at 132.43 on Friday, July 12, up about 11 cents from a year ago.

Broiler slaughter for the week ending July 6 was 142.58 million head, down 3.56% from a year ago. For the last two weeks broiler slaughter was down 1.0% vs. a year ago.

**Breasts.** Prices on boneless skinless breasts finished the week at \$1.7487, up 2 cents since Wed. July 3 and up about 60 cent from year ago levels.

**Leg Quarters.** Last week leg quarter prices at 52.36 cents per pound prices were up about 0.22

cents vs. two weeks ago and were up 2 cents from a year ago.

Wings. Prices at \$2.6405 are up about 166 cents from year ago levels.

## Turkeys

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

Hens finished last week at \$1.0300, up 16.0 cents since Wed. July 3 but down about 40 cents from the year ago price.

Toms finished last week at \$1.0400, up 16 cents since Wed. July 3 but down about 42 cents from the year ago price.

Total turkey supplies in the freezer on May 31 were up 5.2% from a year ago at 422.9 million pounds. Whole birds were down 4.1% from a year ago with an inventory of 199.4 million pounds.

Turkey slaughter was 2.4590 million head for the week ending July 6, down -22.84% from a year ago. For the last two weeks slaughter has been down 13.76%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at \$2.2000, unchanged since Wed. July 3. Prices are down about 48 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 \$10.0486 (weighted average quote) finished last week down about 76 cent since the Wed. July 3 quote but up about 29 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at \$8.9512 (weighted average quote) finished last week down about 97 cents since the Wed. July 3 quote and up about 115 cent vs. the year ago price.

Currently Choice 112A Rib Eyes are \$1.0974 /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 \$3.7390 for 90CL and \$1.1529 for 50CL product, an 81CL meat block value is now \$3.1571 and a 78CL meat block is \$2.9632. Choice 114, 3 Clods are now being priced 28.80 cents over 81CL meat block grinding values of 90s and 50s. A year ago the spread was 42.19 cents and the five year average spread for is 32.15 cents over.

Choice #161 Boneless Rounds finished last week at **\$3.8204**, up 27 cents since Wed. July 3 and up about 22 cents from year ago levels.

Choice regular #168 insides finished last week quoted at \$3.6281 up about 6 cents since Wed. July 3 and up about 68 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at \$3.6629 down about 0 cents since Wed. July 3 but up about 70 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at \$3.2389 down about 3 cents since Wed. July 3 but up about 34 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at \$9.9657 (wt. avg.) down about 71 cents from the Wed. July 3 quote. Prices are up 34 cents from year ago levels.

Choice #184 Regular Heavy top butts finished at \$5.0700 (wt. avg.) **down** about one cent since Wed. July 3 but **up** about **15** cents from year ago levels.

**Choice #184 ¼ inch trimmed Top Butts** finished at \$5.3237 (wt. avg.) down about 18 cents since Wed. July 3 but up about 44 cents from the year ago levels.

**Choice #185A Flap Meat** prices finished Friday at \$8.4407 (wt. avg.) up about 9 cents since Wed. July 3 but down about 210 cents from year ago values.

**COARSE GROUND BEEF –**

**73CL Coarse Ground** product finished last week at \$2.7969 up about 6 cents since Wed. July 3 and up about 20 cents from year ago levels.

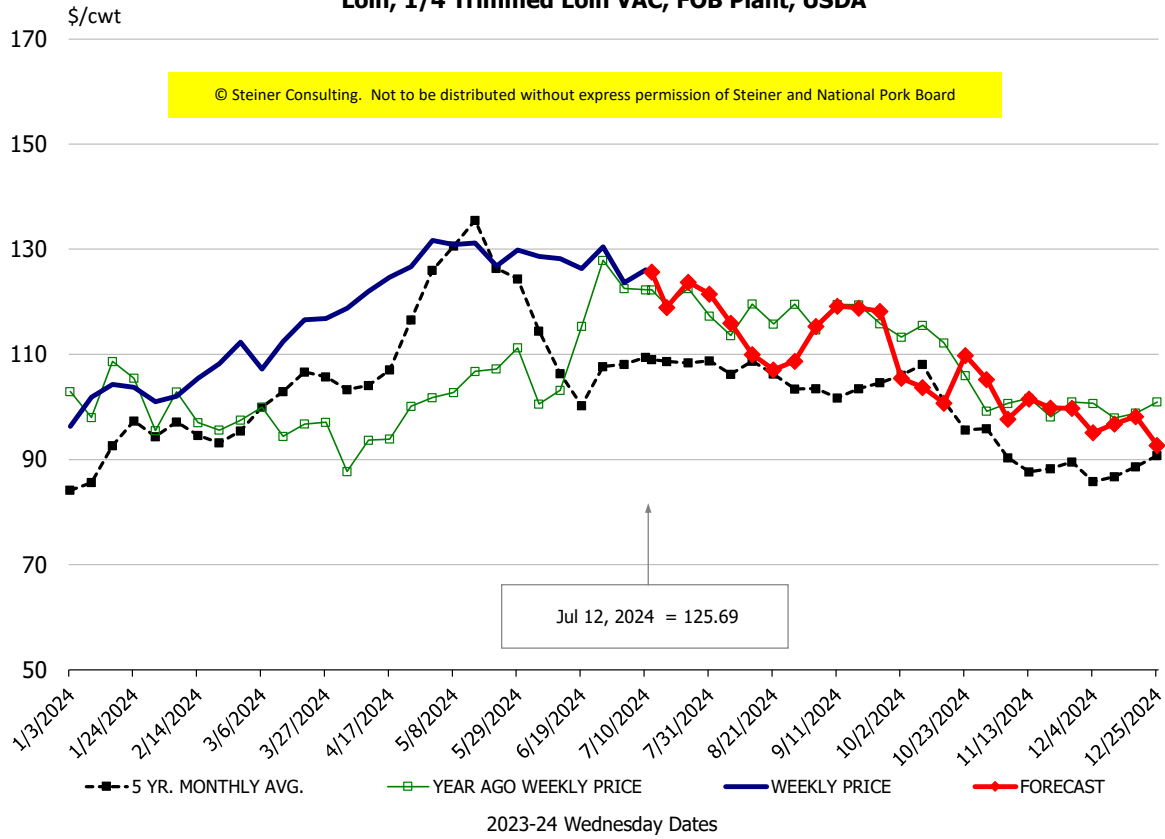
**81CL Coarse Ground** product finished last week at \$3.2924 down about 0 cents since Wed. July 3 but up about 52 cents from the year ago quote.

**90CL Bnls. Beef** prices finished the week at \$3.7390 (wt. avg.) down 4.03 cents since Wed. July 3 but up 81 cents compared to the year ago price quote. **50 CL Beef Trim** prices finished last week at \$1.1529, up about 17 cent since Wed. July 3 but down 62 cents compared to year ago levels.

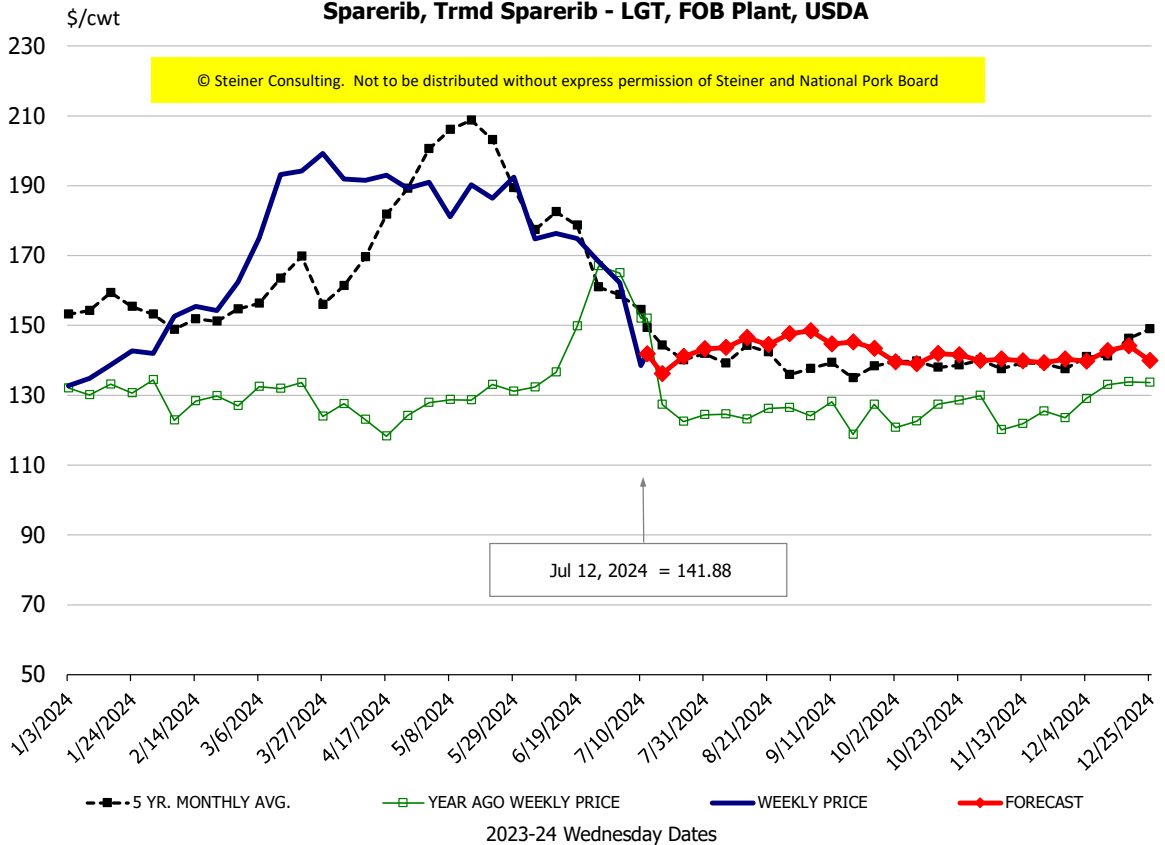
# Protein Summary Table - WT. AVE.

	HISTORY								FORECAST						
	Jan	Feb	Mar	Apr	May	Jun	7/3/2024	7/12/2024	7/24/2024	Jul	Aug	Sep	Oct	Nov	Dec
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<b>PORK</b>															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	101.0	104.8	110.8	122.4	130.3	128.4	123.6	125.69	124	118	114	116	104	102	96
Loin, 1/8 Trimmed Loin VAC, FOB Plant, USDA	109.7	110.1	118.2	126.7	139.1	138.6	131.2	132.31	137	132	125	121	110	109	101
Loin, Bnls CC Strap-off, FOB Plant, USDA	167.2	168.9	171.1	178.6	184.5	180.9	170.9	166.77	170	167	173	186	179	165	161
Loin, Tenderloin, FOB Plant, USDA	157.3	166.7	171.9	177.7	182.2	176.5	168.9	170.95	179	171	167	161	150	143	143
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	101.5	102.8	117.7	132.8	138.3	133.0	137.0	129.88	134	130	121	124	109	105	109
Sparerib, Trmrd Sparerib - LGT, FOB Plant, USDA	138.4	157.6	189.1	189.5	183.7	170.7	162.3	141.88	141	142	145	147	139	141	142
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	243.6	232.3	250.7	259.0	268.6	270.4	302.0	267.02	253	247	234	241	229	237	244
Sparerib, Trmrd Sparerib - MED, FOB Plant, USDA	135.0	157.6	184.6	179.1	187.7	171.2	156.6	148.07	148	148	146	148	140	140	141
Loin, Backribs 2.0#/up, FOB Plant, USDA	184.0	192.7	222.3	251.2	257.0	260.3	250.9	240.01	245	240	242	236	226	219	217
Ham, 17-20# Trmrd Selected Ham, FOB Plant, USDA	80.4	81.0	81.7	95.1	89.5	93.2	92.4	99.78	104	100	92	91	91	89	83
Ham, 20-23# Trmrd Selected Ham, FOB Plant, USDA	76.8	80.8	79.1	87.1	85.9	88.5	88.0	102.64	105	103	93	91	89	89	83
Ham, 23-27# Trmrd Selected Ham, FOB Plant, USDA	74.1	79.0	77.4	87.7	86.1	88.5	92.6	104.71	109	105	91	89	87	89	83
Belly Cutout, FOB Plant, USDA	124.5	129.0	125.7	123.9	123.7	129.3	113.9	120.28	137	125	129	104	108	109	102
Belly, Derind Belly 9-13#, FOB Plant, USDA	148.4	161.7	159.4	160.3	155.9	163.9	137.3	149.45	165	149	158	128	133	128	125
Belly, Derind Belly 13-17#, FOB Plant, USDA	140.8	155.0	150.8	144.0	150.3	148.5	145.7	147.09	168	147	144	118	119	116	110
Trim, 42% Trim Combo, FOB Plant, USDA	45.2	35.1	56.9	75.2	61.0	55.2	45.0	61.14	67	61	61	54	52	46	43
Trim, 72% Trim Combo, FOB Plant, USDA	83.6	81.8	93.5	103.0	95.8	95.3	76.4	87.74	92	88	84	79	72	73	71
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	97.8	92.4	103.5	113.9	119.4	119.5	120.7	122.81	127	123	107	105	110	102	101
Carcass Cutout, FOB Plant, USDA	87.0	89.1	93.1	99.1	100.3	100.6	93.6	98.84	104	99	95	91	87	87	85
<b>HOG CARCASS</b>															
CME 1-Day Lean Hog Index	68.1	76.3	82.7	89.6	91.5	91.0	89.5	88.35	91	90	87	78	73	71	67
<b>BROILERS</b>															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	129.9	128.6	129.1	131.3	131.4	131.8	132.3	132.43	130	132	128	126	126	127	129
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	116.3	124.9	145.3	170.4	182.0	172.2	173.2	174.87	171	175	167	156	133	122	121
N.E. BROILER BREAST LINE RUN, USDA	102.4	102.8	105.3	105.9	106.1	106.5	104.2	106.13	106	106	105	103	97	94	94
N.E. BROILER LEG QUARTERS, USDA	42.6	45.7	47.2	49.7	50.8	52.7	52.1	52.36	53	52	50	47	45	43	42
N.E. BROILER WINGS, USDA, WT.AVG.	169.7	188.2	214.1	228.4	231.1	252.7	263.9	264.05	263	264	265	265	270	270	270
<b>TURKEYS</b>															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	90.5	100.2	94.4	97.3	102.2	99.6	87.5	103.00	102	103	105	110	110	110	105
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	93.0	101.7	101.4	97.9	97.4	98.2	87.6	104.00	102	103	105	110	110	110	105
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	260.0	260.0	260.0	260.0	228.8	220.0	220.0	220.00	213	220	225	230	230	230	230
<b>LIVE STEERS</b>															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	173.9	180.6	186.4	185.2	187.0	191.2	195.9	195.12	192	193	190	188	187	189	190
<b>BEEF</b>															
CHOICE, 112A, 3, USDA,RIBEYE, BONELESS, HEAVY, WT.AVG.	999.8	985.5	1010.9	933.4	963.3	1064.1	1080.7	1004.86	929	980	1048	1055	1182	1299	1188
CHOICE, 161, 1, USDA,ROUND, BONELESS, WT. AVG.	336.9	364.1	370.5	364.7	361.8	356.9	355.0	382.04	382	382	383	391	399	390	374
CHOICE, 168, 3, TOP INSIDE ROUND, 1/4" MAX, WT. AVG., USDA	285.6	316.8	364.8	321.4	321.5	334.3	366.7	366.29	375	366	363	369	374	351	334
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	299.6	300.8	299.6	289.2	293.4	300.9	327.2	323.89	328	323	322	345	347	338	320
CHOICE, 180, 3, USDA,STRIP LOIN, BONELESS, 0X1, WT. AVG.	756.7	804.5	931.9	947.3	986.9	1111.0	1067.7	996.57	976	996	878	821	764	741	756
CHOICE, 184, 3, USDA,TOP BUTT, BONELESS, WT. AVG.	396.3	397.5	441.9	449.6	476.6	528.8	550.8	532.37	534	532	515	485	455	421	422
CHOICE, 185A, 4, USDA,BOTTOM SIRLOIN, FLAP, WT. AVG.	705.6	714.8	754.3	709.7	717.0	725.0	835.5	844.07	838	844	834	750	700	699	700
USDA,COARSE GROUND 73%, WT. AVG.	190.5	215.9	222.8	233.7	231.1	262.8	273.8	279.69	262	279	273	250	238	232	223
COARSE GROUND 81%, WT. AVG., USDA	263.7	267.7	276.0	281.7	294.0	315.3	329.4	329.24	309	329	333	313	295	287	267
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	273.3	308.0	330.5	346.2	349.8	362.6	377.9	373.90	369	374	376	369	364	359	354
USDA, 50CL BEEF TRIM, FRESH, NATIONAL, WT. AVG.	76.9	92.9	103.9	91.2	74.9	87.4	98.4	115.29	122	115	113	103	95	100	93

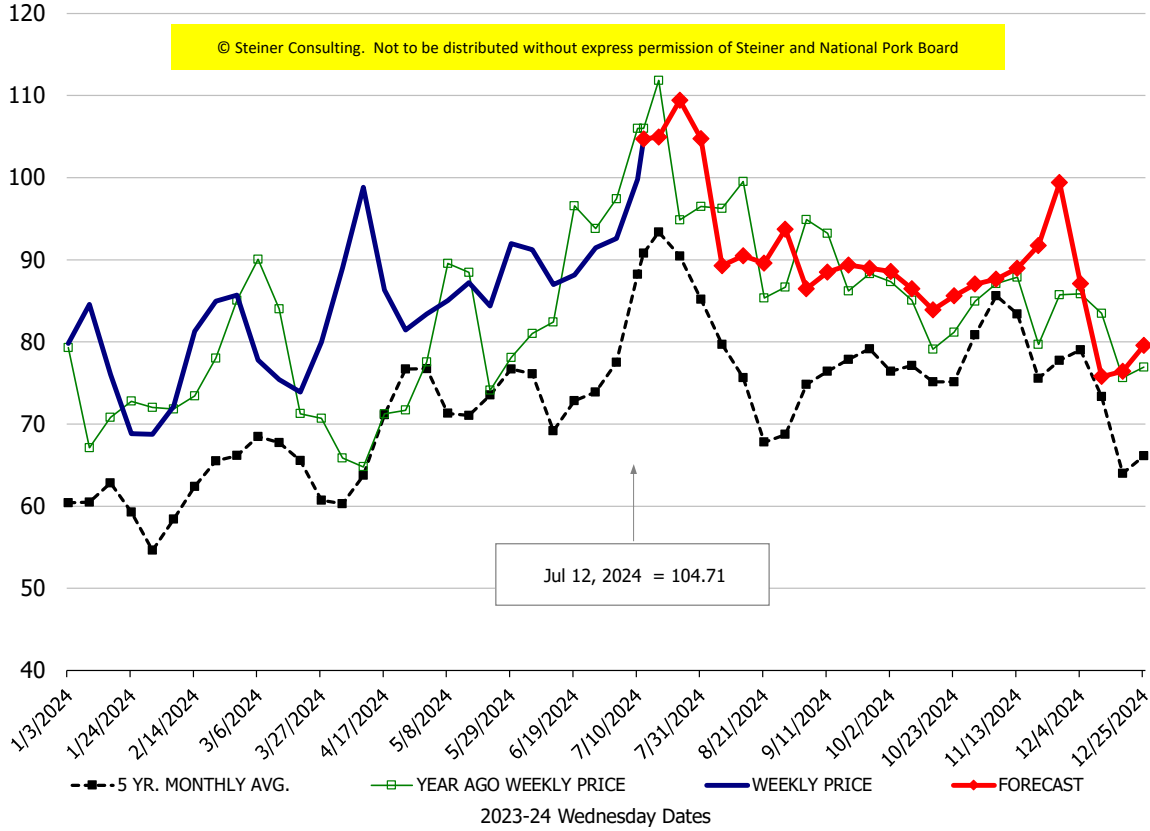
### Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA



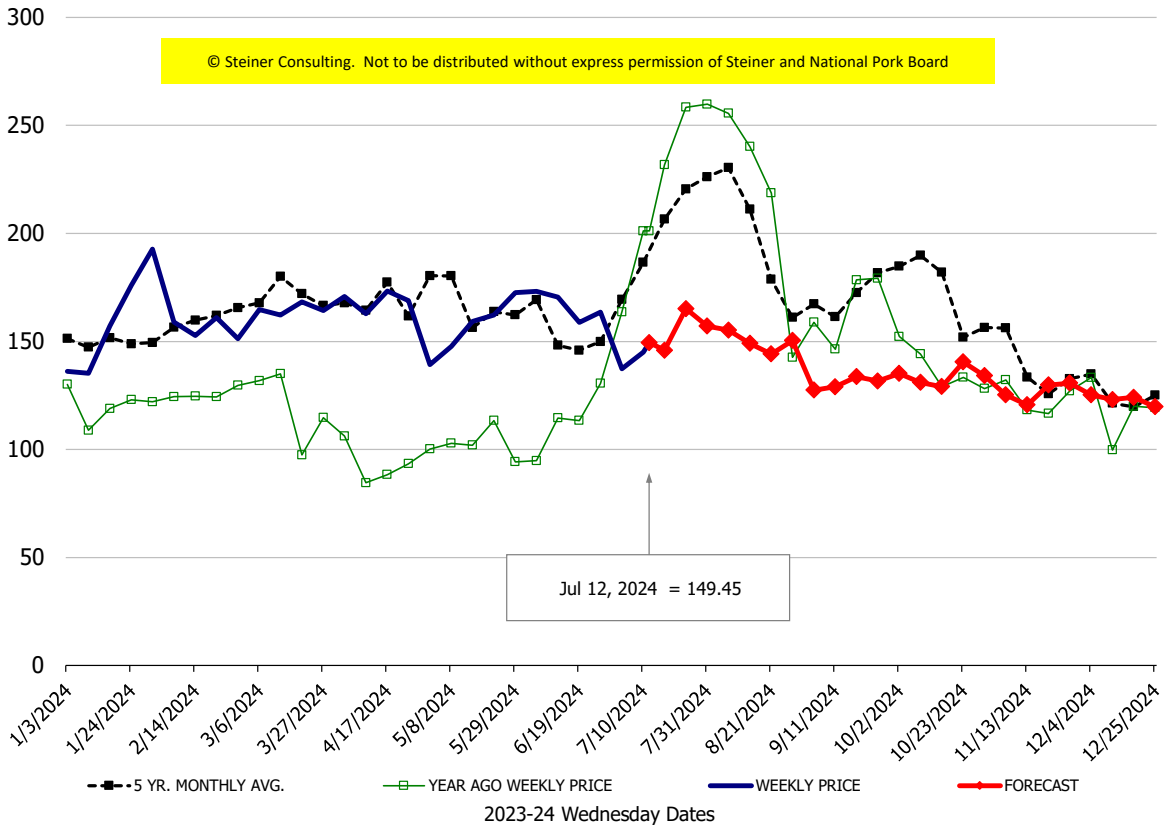
### Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA



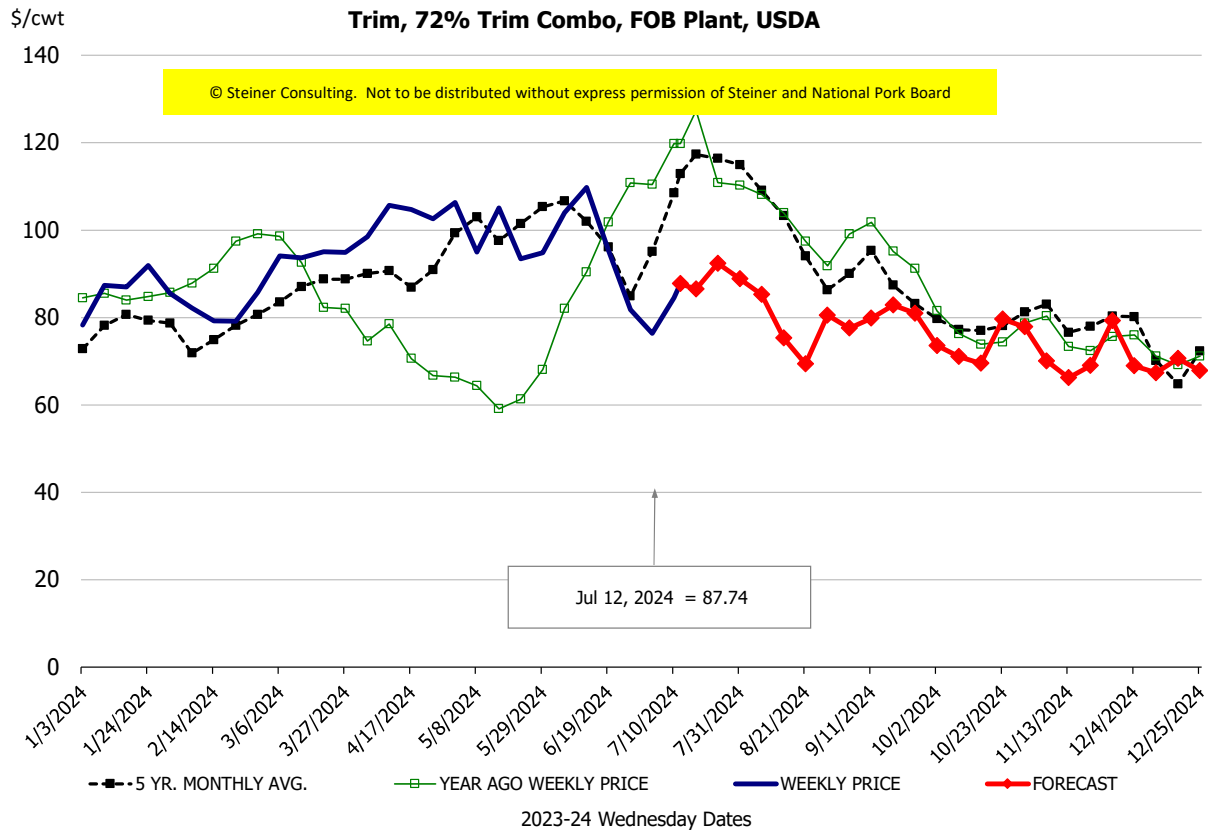
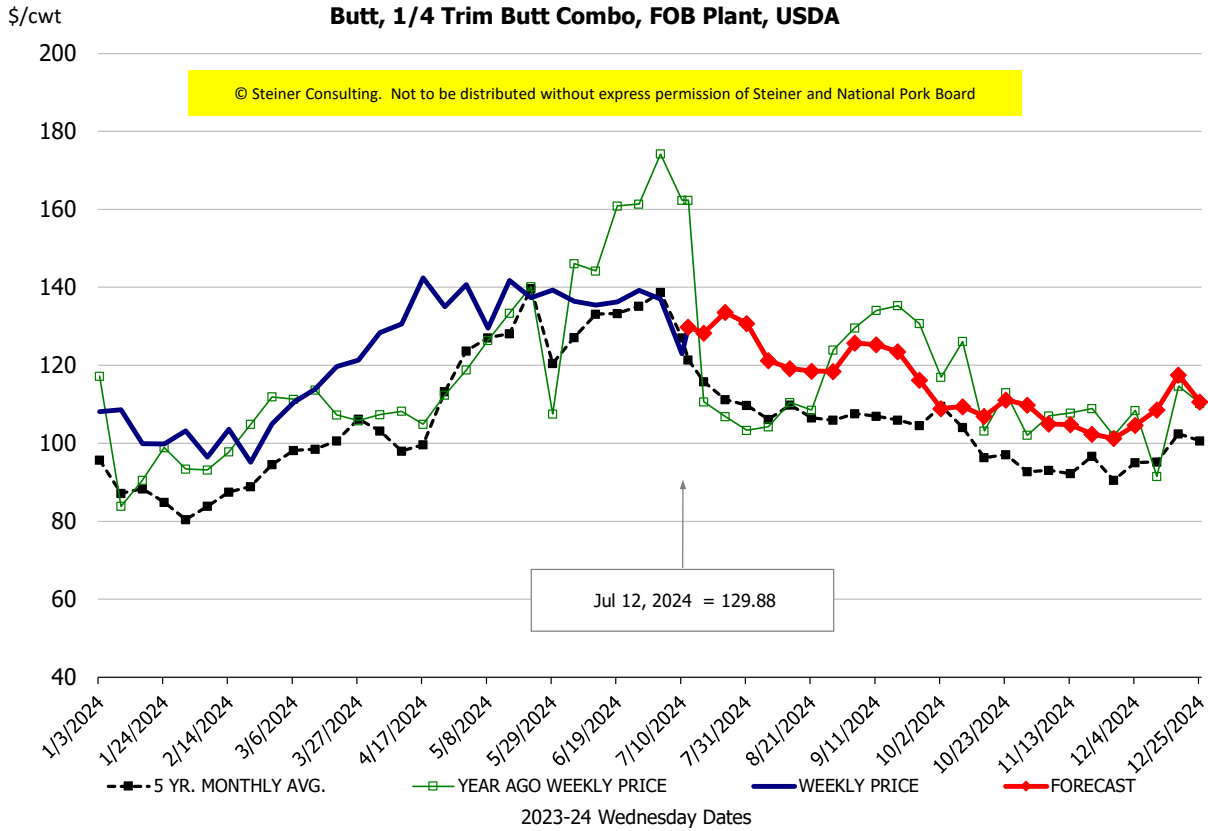
### Ham, 23-27# Trmd Selected Ham, FOB Plant, USDA



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

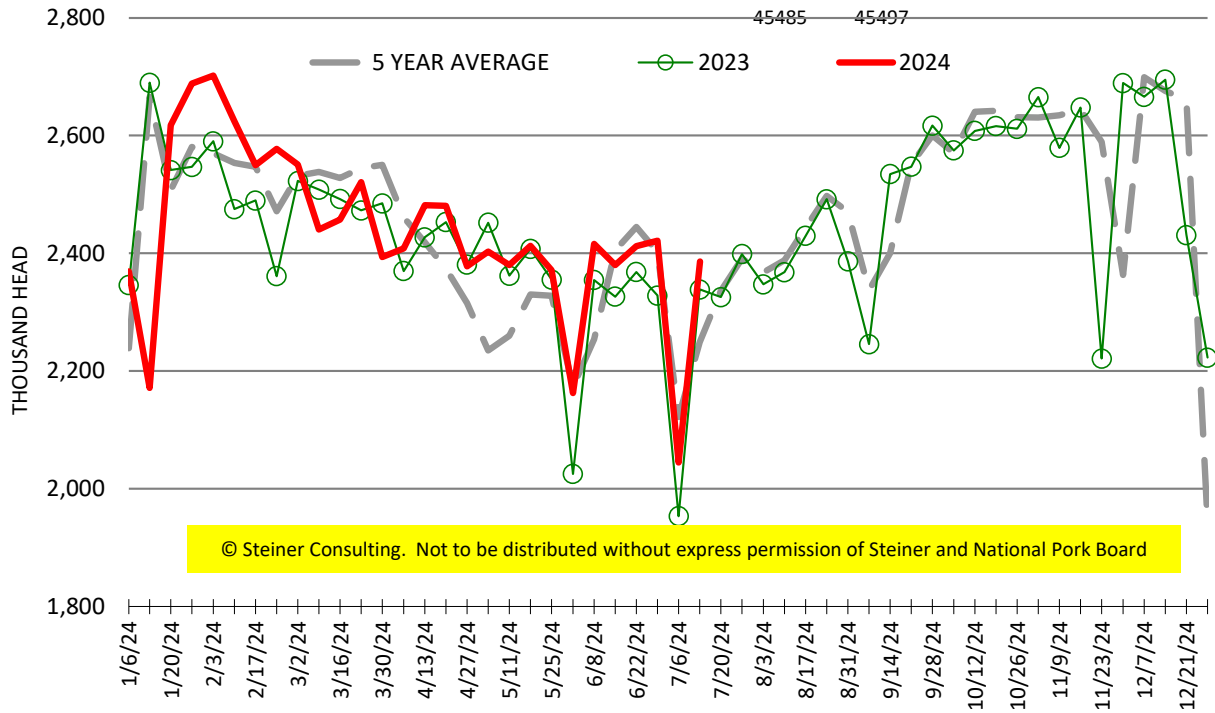






# ESTIMATED WEEKLY FI HOG SLAUGHTER

Source: USDA, '000 head



# ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds

