

Tariffs Delayed, Not Gone

There was some hope that a deal on tariffs with Mexico and Canada was within reach, as all parties involved spoke positively about the negotiations and delayed any tariffs to allow time for an agreement. However, with only two weeks remaining until the second deadline expires, little progress has been made. More importantly, President Trump has ordered a 25% tariff on steel and aluminum imports. Canada, as the largest supplier of these two metals to the U.S. market, is particularly affected. Tariffs and their related impacts will not disappear overnight, making it crucial to consider their potential effects on the pork industry.

We often see a lot of numbers thrown around in articles, typically to highlight specific points. To provide a clearer picture, we thought it would be useful to compile all relevant figures in one place. The goal is to better understand the role of Mexico and Canada in the U.S. hog and pork supply. As for price impacts, it is difficult to predict given the current uncertainty.

It is also important to distinguish between short-term and long-term effects, depending on how the tariff dispute unfolds. For example, a significant number of feeder pigs are imported from Canada, many originating from sow barns in Manitoba. Since feed and labor costs are lower in the U.S., Canadian producers have specialized in breeding pigs and selling feeder pigs to American buyers. If the U.S. imposes a 25% tariff, what options do these producers have? It is not guaranteed that they can simply pass the additional costs on to their U.S. customers. Canada lacks the capacity to feed all those pigs, meaning producers will likely take a financial hit. However, if demand remains strong, customers may agree to share some of the

Role of Mexico and Canada in US Pork/Hog Supply

All Data is for 2024. Data Source: UDSDA. Analysis by Steiner Consulting

	'000 head
Total US Commercial Hog Slaughter	129,669
Total US Barrow/Gilt Sltr (non sow)	125,618
US Feeder Pig Imports from Canada	4,879
US Slaughter Pig Imports from Canada	1,883
Total Canadian Pig Imports	6,762
Canadian Pig Imports as % of Total US Slaughter	5%
	'mil lb. (cwe)
Total US Commercial Pork Production	27,790
Total US Barrow/Gilt Production	26,694
Total US Pork Exports	7,115
Total US Pork Imports	1,148
Domestic Consumption (unadjusted for cold stor.)	21,822
Total Pork Imports from Mexico	92
Total Pork Imports from Canada	708
Total Canada + Mexico Pork Imports	800
Canada + Mexico Imports as % of All Imports	70%
Canada + Mexico Imports as % of Dom. Cons.	4%
Total Pork Exports to Mexico	2,661
Total Pork Exports to Canada	530
Total Canada + Mexico Pork Exports	3,191
Canada + Mexico Exports as % of All Exports	45%
Canada + Mexico Exports as % of US Production	11%
Canada/Mexico Exports - Imports	2,391

cost burden.

With a 25% increase in costs, some Canadian producers may choose to scale back production, exit the business, or renegotiate pricing with their customers before the next breeding cycle. Eventually, prices will adjust to reflect the added tax burden. However, in the short term, the impact on prices may be muted and distributed across the supply chain.

Product Update

Hog Market. For the week ending February 8 hog slaughter was 2.536 million head, down 3.4% from a year ago. In the last two weeks hog slaughter is down 4.2% vs. year ago levels.

Iowa/Minnesota, Base Negotiated Purchase for Barrows and Gilts. Lean hog carcass values at about 85.51 /cwt. on Friday were up \$2.4/cwt since Wed. January 29. Prices are up about \$11.5/cwt compared to year ago values.

Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA (page 8). Prices finished last week at \$0.9572, down about 2.0 cents since the Wed. January 29 quote and down about 6 cents from year ago levels.

Bnls. Strap on Pork Loins. Prices finished the week at \$1.3964 for the strap on loins, up 1.6 cents since Wed. January 29 but down 8 cents from the year ago levels. Strap off loins at \$1.5690 are down 0.4 cents since Wed. January 29 and down about 6 cents compared to the year ago quote.

Boneless sirloins at \$1.3607 were up about 2 cents from the Wed. January 29 quote and up about 11.9 cents from the year ago price.

Pork tenderloin finished last week at \$1.7641, up 8 cents since the Wed. January 29 quote and up about 17.7 cents from the year ago price.

1/4 Trim Pork Butts (page 10), prices finished the week at \$1.1408, up 0.0 cents since Wed. January 29. Prices are up 12 cents from a year ago.

Spareribs, Trimmed - LGT, Vac (page 8). Prices finished the week at \$1.7094, up about 2 cent since Wed. January 29 and up about 18 cents from year ago levels.

Rib inventories on December 31 were 82.8 million pounds, up 2.9% from a year ago.

Bone-in Hams

17/20 hams (page 9) price was last quoted at \$0.8860/lb. up 1 cent since Wed. January 29 and up about 16 cents from a year ago.

20/23 hams finished the week at 82.13 cents (page 130) up about 0 cents since Wed. January 29 and up about 9 cents from the year ago level.

23/27 hams finished the week at 75.88 , down about 3 cents from the Wed. January 29 quote but up about 4 cents from the year ago level.

Total ham cold storage stocks on December 31 at 68.6 million pounds were up 24.7% from year ago levels.

42 CL Pork Trim "FOB Basis". Prices finished the week at 49.79 cents, up about 7.2 cents since Wed. January 29 and up about 12 cents from the year ago price.

72 CL Pork Trim "FOB Basis". Prices finished the week at 96.84 cents, up 1.6 cents since the Wed. January 29 quote and up about 15 cents from the year ago levels.

Freezer stocks of all trimmings on December 31 were 49.5 million pounds, up 4.6% from the year ago levels.

72 CL Picnic Meat "FOB Basis". The premium of picnic meat to 72CL trim is currently at 24 cents compared to 38 cents average in the previous six months.

POULTRY

Whole Broilers

The National Whole Bird price was quoted at 134.87 on Friday, February 7, up about 6 cents from a year ago.

Broiler slaughter for the week ending January 25 was 159.56 million head, down 4.28% from a year ago. For the last two weeks broiler slaughter was up 8.9% vs. a year ago.

Breasts. Prices on boneless skinless breasts finished the week at \$1.5881, up 8 cents since Wed. January 29 and up about 38 cents from year ago levels.

Leg Quarters. Last week leg quarter prices at 51.23 cents per pound prices were up about 0.33 cents vs. two weeks ago and were up 7 cents from a year ago.

Wings. Prices at \$1.9037 are up about 5 cents from year ago levels.

Turkeys

The prices below reflect weekly quoted USDA prices.

Hens finished last week at \$0.8600, down 1 cent since Wed. January 29 and down about 17 cents from the year ago price.

Toms finished last week at \$0.8450, down 3 cents since Wed. January 29 and down about 20 cents from the year ago price.

Total turkey supplies in the freezer on December 31 were down 9.5% from a year ago at 220.3 million pounds. Whole birds were down 12.7% from a year ago with an inventory of 65.5 million pounds.

Turkey slaughter was 2.8150 million head for the week ending January 25, down 25.51%

from a year ago. For the last two weeks slaughter has been down 6.77%.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at \$2.4500, up since Wed. January 29. Prices are down about 15 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 \$9.7552 (weighted average quote) finished last week down about 27 cents since the Wed. January 29 quote and down about 8 cents vs. the year ago price.

Select 112A Heavy Lip On Rib Eyes at \$9.1226 (weighted average quote) finished last week up about 18 cents since the Wed. January 29 quote and up about 50 cents vs. the year ago price.

Currently Choice 112A Rib Eyes are \$0.6326 /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 2015-2019 five year average spread was Choice at a premium to the Select by \$0.1244 per pound.

81CL Meat Block With prices at \$3.6967 for 90CL and \$1.0419 for 50CL product, an 81CL meat block value is now \$3.0994 and a 78CL meat block is \$2.9003. Choice 114, 3 Clods are now being priced 69.58 cents over 81CL meat block grinding values of 90s and 50s. A year ago the spread was 57.10 cents and the five year average spread for is 53.15 cents over.

Choice #161 Boneless Rounds finished last week at \$3.7100, unchanged since Wed. January 29 but up about 14 cents from year ago levels.

Choice regular #168 insides finished last week quoted at \$3.6997 up about 13 cents since Wed. January 29 and up about 69 cents from the year ago price.

Choice ¼ inch trimmed #168 insides finished last week quoted at \$3.7630 up about 5 cents since Wed. January 29 and up about 76 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at \$3.7145 up about 4 cents since Wed. January 29 and up about 23 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at \$9.3296 (wt. avg.) up about 0 cents from the Wed. January 29 quote. Prices are up 155 cents from year ago levels.

Choice #184 Regular Heavy top butts finished at \$4.2100 (wt. avg.) **down** about one cent since Wed. January 29 but **up** about **15** cents from year ago levels.

Choice #184 ¼ inch trimmed Top Butts finished at \$4.3848 (wt. avg.) up about 8 cents since Wed. January 29 and up about 29 cents from the year ago levels.

Choice #185A Flap Meat prices finished Friday at \$6.9991 (wt. avg.) down about 101 cents since Wed. January 29 but up about 12 cents from year ago values.

COARSE GROUND BEEF –

73CL Coarse Ground product finished last week at **\$2.7798 down** about 27 cents since Wed. January 29 but up about 57 cents from year ago levels.

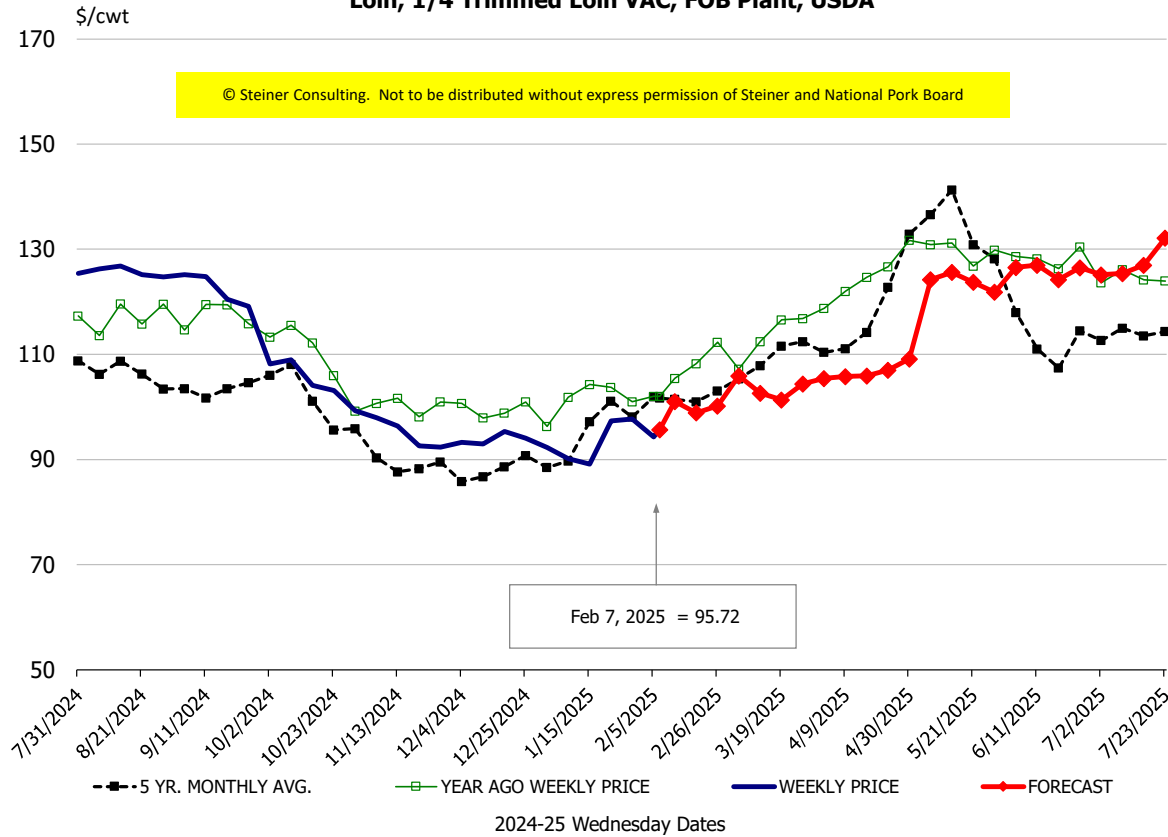
81CL Coarse Ground product finished last week at \$3.3431 down about 16 cent since Wed. **January 29 but up** about **53** cents from the year ago quote.

90CL Bnls. Beef prices finished the week at **\$3.6967** (wt. avg.) **up 1.89** cents since Wed. January 29 and up 69 cents compared to the year ago price quote. **50 CL Beef Trim** prices finished last week at \$1.0419, down about 11 cents since Wed. January 29 but up 5 cents compared to year ago levels.

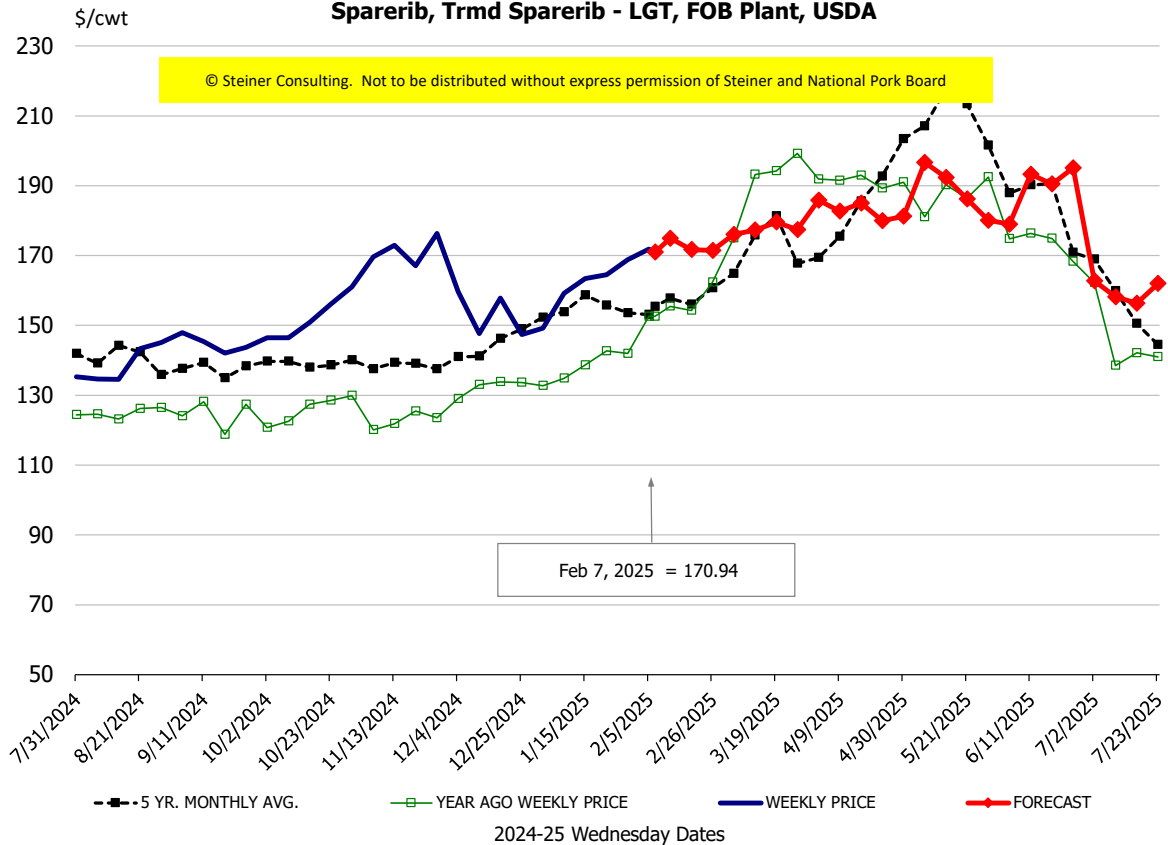
Protein Summary Table - WT. AVE.

	HISTORY								FORECAST						
	Aug	Sep	Oct	Nov	Dec	Jan	1/29/2025	2/7/2025	2/19/2025	Feb	Mar	Apr	May	Jun	Jul
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PORK															
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA	125.5	123.3	105.2	95.0	93.9	91.8	97.7	95.72	99	100	103	107	120	126	126
Loin, 1/8 Trimmed Loin VAC, FOB Plant, USDA	131.3	129.7	115.8	102.0	102.5	102.3	102.6	106.17	109	110	115	118	131	138	137
Loin, Bnls CC Strap-off, FOB Plant, USDA	166.5	166.4	164.9	158.9	159.3	155.9	157.3	156.90	163	168	170	174	179	181	180
Loin, Tenderloin, FOB Plant, USDA	174.5	180.2	181.2	171.9	166.4	172.3	168.5	176.41	184	182	194	187	202	210	209
Butt, 1/4 Trim Butt Combo, FOB Plant, USDA	110.8	109.9	110.3	111.7	115.5	112.7	109.2	108.72	104	110	112	124	140	142	138
Sparerib, Trmrd Sparerib - LGT, FOB Plant, USDA	137.9	144.6	151.8	170.3	151.5	160.0	168.8	170.94	172	174	176	185	190	182	163
Sparerib, St Louis Spareribs, POLY, FZN, FOB Plant, USDA	266.9	241.5	254.3	250.7	253.2	243.4	255.6	263.81	282	289	291	297	310	305	282
Sparerib, Trmrd Sparerib - MED, FOB Plant, USDA	137.7	136.7	152.0	169.3	152.3	159.1	163.2	163.65	161	166	172	180	188	184	165
Loin, Backribs 2.0#/up, FOB Plant, USDA	220.5	218.8	222.2	227.3	230.8	239.4	245.6	252.60	249	257	267	284	291	294	266
Ham, 17-20# Trmrd Selected Ham, FOB Plant, USDA	108.0	92.9	92.4	99.7	112.6	99.2	87.7	88.60	101	95	90	90	99	103	110
Ham, 20-23# Trmrd Selected Ham, FOB Plant, USDA	97.4	90.3	88.1	95.1	104.3	84.4	81.8	82.13	83	80	84	87	92	102	108
Ham, 23-27# Trmrd Selected Ham, FOB Plant, USDA	94.5	87.3	86.0	91.2	98.2	78.6	78.6	75.88	81	77	82	86	93	100	109
Belly Cutout, FOB Plant, USDA	135.7	126.3	146.2	144.6	115.3	134.8	149.8	157.34	152	154	144	139	131	145	178
Belly, Derind Belly 9-13#, FOB Plant, USDA	165.3	152.4	172.2	179.3	146.4	176.1	176.9	209.27	195	202	183	175	167	183	220
Belly, Derind Belly 13-17#, FOB Plant, USDA	160.4	152.1	175.0	167.1	139.0	165.4	185.5	191.18	184	189	172	164	155	172	208
Trim, 42% Trim Combo, FOB Plant, USDA	85.0	66.0	76.3	51.3	40.6	41.6	42.6	49.79	48	48	59	64	61	72	85
Trim, 72% Trim Combo, FOB Plant, USDA	101.3	87.7	94.7	83.6	86.9	91.2	95.2	96.84	95	95	92	102	96	111	112
Trim, Picnic Meat Combo Cushion Out, FOB Plant, USDA	121.7	122.2	113.9	102.5	110.3	101.9	100.6	103.32	104	103	104	116	120	133	135
Carcass Cutout, FOB Plant, USDA	98.9	94.9	97.0	96.7	93.4	91.1	93.3	95.01	93	94	95	98	101	107	112
HOG CARCASS															
CME 1-Day Lean Hog Index	89.9	84.8	85.0	88.3	84.1	81.8	83.1	85.51	84	84	86	90	95	103	104
BROILERS															
BROILER, NATIONAL WHOLE BIRD PRICE, USDA	129.8	131.4	133.2	132.6	134.7	136.1	135.8	134.87	135	136	141	148	152	148	138
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	189.5	191.2	154.0	148.1	147.8	147.9	151.3	158.81	165	175	185	197	206	194	182
N.E. BROILER BREAST LINE RUN, USDA	107.2	107.7	107.3	107.3	106.9	107.3	107.5	107.62	109	112	113	116	122	124	123
N.E. BROILER LEG QUARTERS, USDA	51.9	52.6	51.8	51.6	51.7	51.5	50.9	51.23	51	52	52	55	58	59	58
N.E. BROILER WINGS, USDA, WT.AVG.	243.4	231.9	207.8	189.5	188.8	190.3	191.5	190.37	206	210	205	203	193	195	196
TURKEYS															
HEN TURKEYS, EAST, FROZEN 10-12LBS, USDA	95.3	91.7	100.3	95.8	94.8	91.7	87.1	86.00	89	90	92	94	96	100	99
TOM TURKEYS, EAST, FROZEN 16-22LBS, USDA	89.6	101.8	103.1	96.9	94.8	92.0	87.0	84.50	89	90	92	94	96	100	99
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH	220.0	217.5	199.8	194.5	201.8	223.4	234.0	245.00	240	245	245	261	271	271	275
LIVE STEERS															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	189.8	183.1	187.7	186.9	192.5	202.0	209.8	207.96	204	205	202	202	198	196	194
BEEF															
CHOICE, 112A, 3, USDA,RIBEYE, BONELESS, HEAVY, WT.AVG.	957.5	1022.9	1165.8	1320.8	1455.2	1064.1	1002.9	975.52	1024	1020	1130	1176	1161	1208	1121
CHOICE, 161, 1, USDA,ROUND, BONELESS, WT. AVG.	380.7	374.3	370.0	370.4	371.0	371.0	371.0	371.00	380	371	388	382	380	377	382
CHOICE, 168, 3, TOP INSIDE ROUND, 1/4" MAX, WT. AVG., USDA	365.4	336.2	329.9	308.5	318.2	384.3	371.5	376.30	385	376	375	358	354	355	363
CHOICE, 170, 1, BOTTOM GOOSENECK ROUND, WT. AVG., USDA	318.5	297.8	306.7	304.0	322.6	368.2	367.4	371.45	373	366	333	321	321	330	335
CHOICE, 180, 3, USDA,STRIP LOIN, BONELESS, 0X1, WT. AVG.	702.8	661.0	740.9	782.4	746.2	850.2	932.8	932.96	949	930	967	1003	1063	1110	985
CHOICE, 184, 3, USDA,TOP BUTT, BONELESS, WT. AVG.	496.8	453.3	402.8	389.1	395.7	412.7	430.2	438.48	442	442	463	500	517	528	513
CHOICE, 185A, 4, USDA,BOTTOM SIRLOIN, FLAP, WT. AVG.	752.8	656.0	686.6	655.4	665.5	803.1	800.5	699.91	745	759	807	859	838	868	918
USDA,COARSE GROUND 73%, WT. AVG.	282.0	227.2	222.7	217.7	228.2	291.4	305.4	277.98	283	278	261	269	272	266	266
COARSE GROUND 81%, WT. AVG., USDA	336.3	296.3	287.0	245.0	245.5	328.0	350.6	334.31	350	334	327	327	339	329	322
USDA, 90% BONELESS BEEF, CENTRAL, FRESH, WT. AVG.	374.0	361.3	348.4	329.2	318.2	352.7	367.8	369.67	377	379	388	403	405	413	417
USDA, 50CL BEEF TRIM, FRESH, NATIONAL, WT. AVG.	158.3	102.9	67.4	74.0	77.9	109.9	115.1	104.19	108	116	138	164	156	155	157

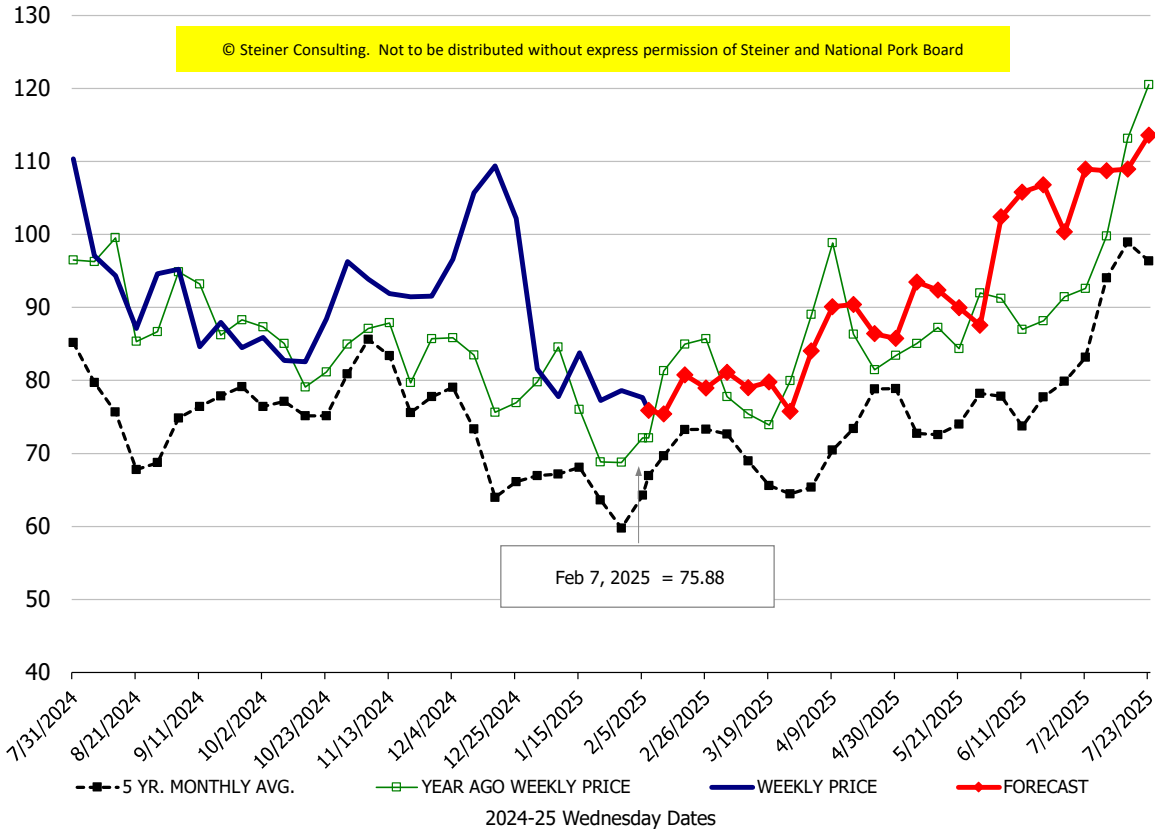
Loin, 1/4 Trimmed Loin VAC, FOB Plant, USDA



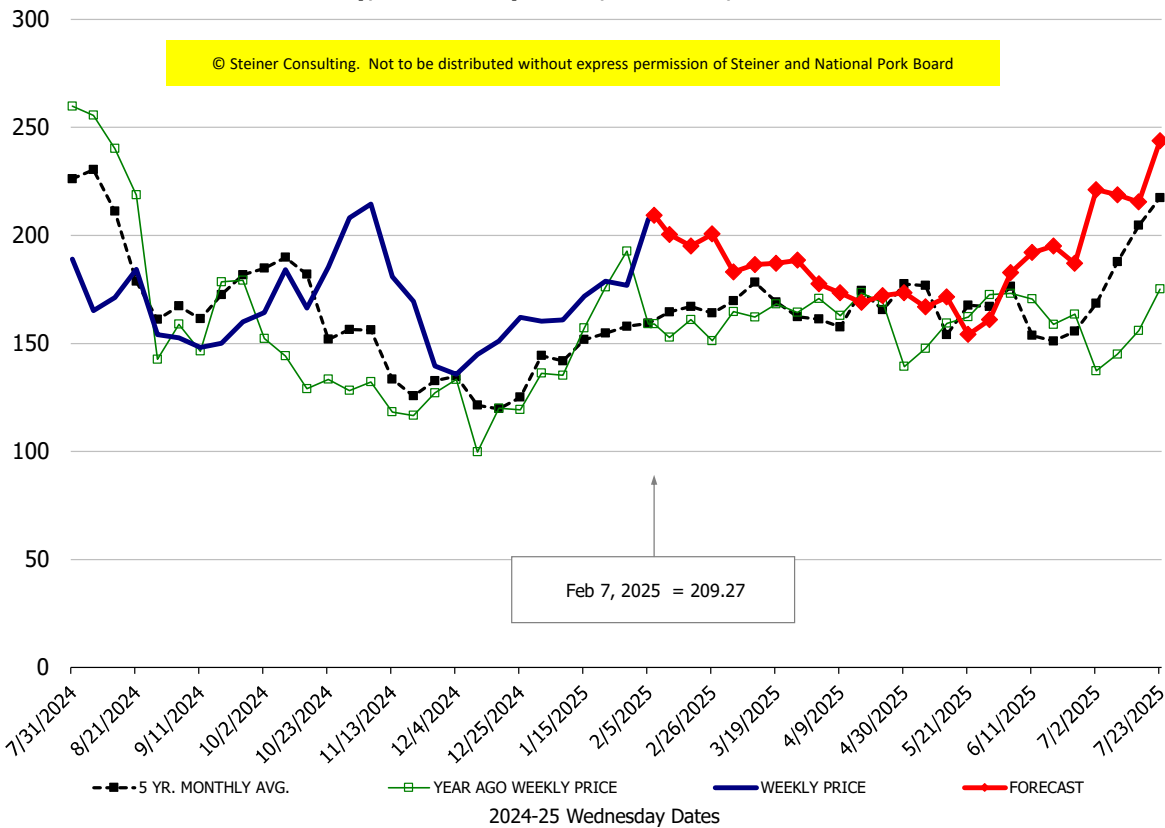
Sparerib, Trmd Sparerib - LGT, FOB Plant, USDA

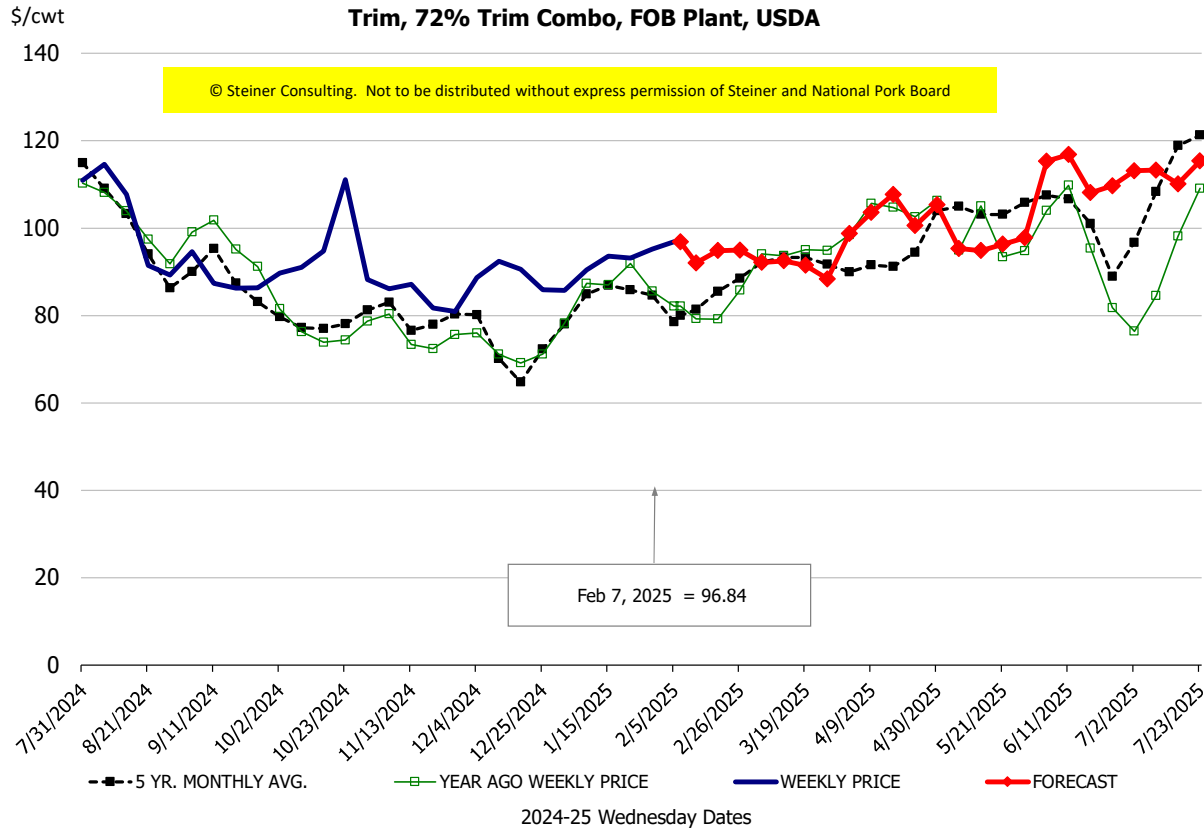
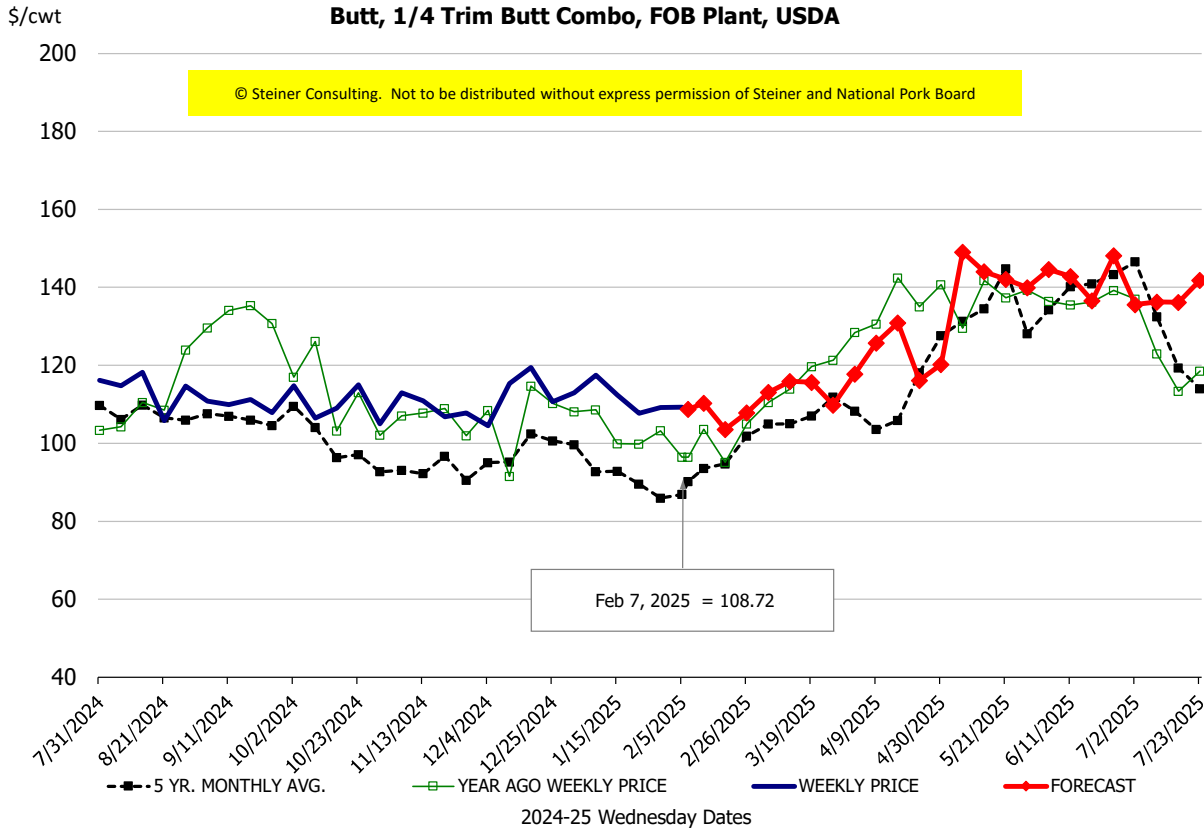


Ham, 23-27# Trmrd Selected Ham, FOB Plant, USDA



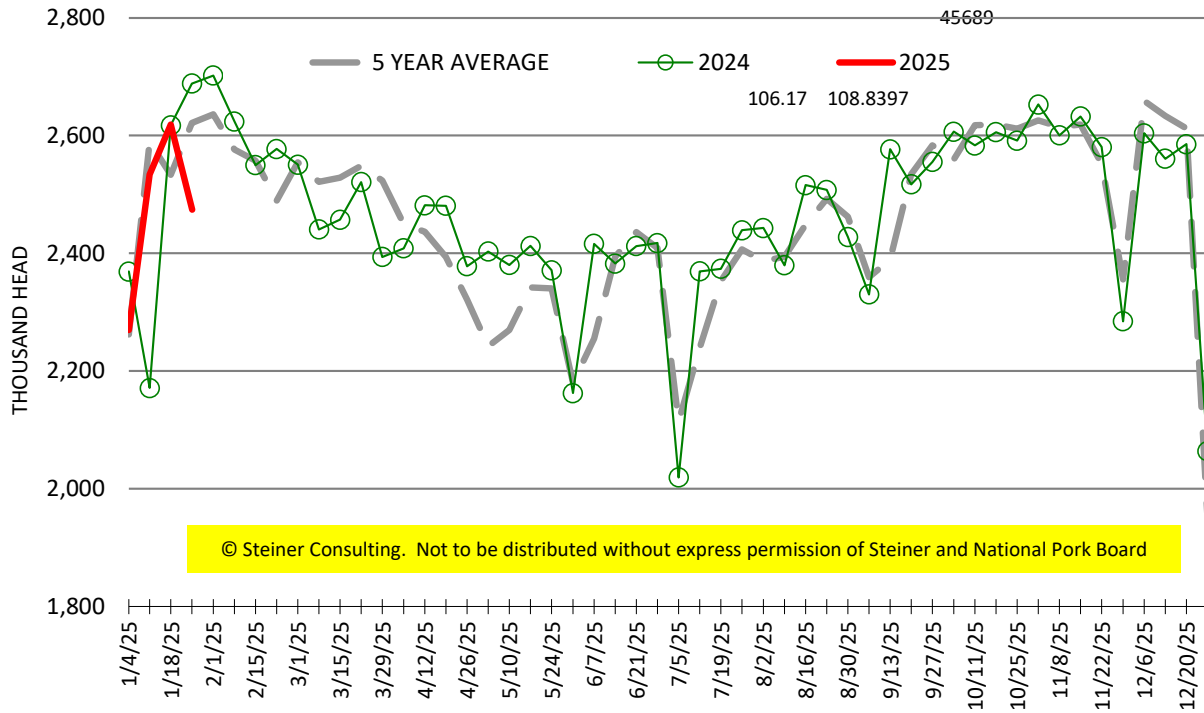
Belly, Derind Belly 9-13#, FOB Plant, USDA





ESTIMATED WEEKLY FI HOG SLAUGHTER

Source: USDA, '000 head



ESTIMATED WEEKLY FI PORK PRODUCTION

Source: USDA, Mil. Pounds

