

Weekly Pork Market Report

Week of 1.15.24

Last week, the lean hog futures market rallied higher across all contracts anywhere from 3-5%. The CME February lean hog futures finished higher at \$72.60/cwt or about 5.1% last week. The rally higher in the futures market was fueled by last week's release by the USDA of the November pork export totals, which showed exports up 5% y/y at 258.6 metric tons (mt) and the highest amount in the past six months. The pork cutout was just a touch higher, up .1% w/w at \$84.54/cwt as we saw some increases in ribs, loins, bellies, and pork trim, while the butt, picnic, and ham primals were lower. Breaking out the pork primals, the retail feature rate was a lot lower overall last week for the pork complex; however, retailers did offer sliced bacon at a much higher rate than last week and the prior year. The bigger move in the primals was from the belly, as it was up by almost 14% last week. The butt primal experienced a 3.3% decline, while both the picnic and ham primals saw about an 8% reduction last week. It's worth noting that these primals typically see fluctuating purchase patterns on a week-to-week basis during this season, presenting potential freezing and export opportunities. Looking ahead next week, the cut-out appears to be rangebound for the next few weeks. The driving forces in the pork market are still the opportunities in restocking freezer stocks and export sales, which will continue to see strength as the U.S. cash hog market remains competitive on an international stage. Prices USDA, FOB per pound.

	Market Trend	Supplies	Price vs. Last Year
Live Hogs	Steady	Available	Lower
Sow	Decreasing	Steady	Lower
Belly (bacon)	Increasing	Available	Higher
Sparerib(4.25 lb & down)	Increasing	Steady	Higher
Ham (20-23 lb)	Increasing	Steady	Higher
Ham (23-27 lb)	Decreasing	Steady	Higher
Loin (bone in)	Increasing	Available	Lower
Babyback Rib (1.75 lb & up)	Increasing	Steady-Available	Higher
Tenderloin (1.25 lb)	Increasing	Steady	Lower
Boston Butt, untrmd (4-8 lb)	Decreasing	Steady	Lower
Picnic, untrmd	Decreasing	Steady	Lower
SS Picnic, smoker trm box	Decreasing	Steady	Higher
42% Trimmings	Increasing	Steady-Available	Lower
72% Trimmings	Increasing	Steady-Available	Lower

