

ArrowStream

Pork

CME hog futures and cash lean hogs were mixed last week. The CME FEB future is now the nearest contract on the board, and finished up 2% to \$82.50/cwt, and most of the other contracts were all higher by 1-2%. The pork cutout traded higher by 1% to \$90.48/cwt, marking the first increase in three weeks. However, most of the primals were actually lower, with only the belly and pork trim trading higher in the week. Breaking out the primals and subprimals, the loin primal was flat w/w. The price of boneless pork loin was down 4% to \$1.34/lb. The pork butt primal was down 3% w/w with the subprimal B/I pork butt lower by \$0.03 to \$1.25/lb and the boneless pork butt down by \$.01 at \$1.37/lb. The rib primal was down 1% last week to \$141.19/cwt. Pork picnics were down 5% to \$64.41/cwt and are now lower by 26% the past two weeks. What is supporting the cutout has been the belly and pork trim segment. The belly primal rallied higher by 10% to \$132.57/cwt. The subprimal derind 13/17 belly was up \$0.17 to \$1.63/lb. The trim segment was higher again as 42% trim was up 3% to \$0.41/lb and 72% trim was higher by 7% to \$0.93/lb. Looking ahead, the pork complex is poised for upward movement from current levels. Constrained harvest levels and a potential for restocking freezer inventories, which are currently down nearly 6% from historical averages, should support market strength. Prices USDA, FOB per pound.

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

