

ArrowStream

Pork

CME hog futures and cash lean hogs were mixed last week. The hog and pork markets are still navigating the effects of retaliatory tariffs by the largest U.S. pork customers in Mexico and China. With the increase in harvest and production, the pork cutout was flat as of Thursday's close at \$94.81/cwt. Breaking out the primals and subprimals, the loin primal was up 4% w/w. The price of boneless pork loins was higher by \$0.03 to \$1.42/lb, and loin/baby back ribs were higher by \$0.05 to \$2.81/lb, while the tenderloins were down \$0.16 to \$1.61/lb. The pork butt primal was a lot higher to \$113.02/cwt with the subprimal B/I pork up \$0.01 to \$1.27/lb, but the boneless pork butt surged by \$0.11 to \$1.48/lb. Export sales rose to 5.3 million LBS (1.4 million LBS more than the prior week). It will be interesting to see if that continues with the tariffs starting kicking in last week. The rib primal was down 4% last week at \$146.02/cwt, and the medium spareribs were lower by \$0.06 to \$1.57/lb. The ham primal was flat last week at \$84.47/cwt. The belly primal was down 6% to \$127.37/cwt with the subprimal derind 13/17 belly down \$0.10 to \$1.54/lb. The trim segment was mixed as 42% trim was up by \$0.01 to \$0.73/lb, and 72% trim was up \$0.03 to \$1.15/lb. Looking ahead, future tariffs and retaliatory measures pose a significant risk to the hog and pork cutout market. This uncertainty is expected to increase market volatility but could potentially lead to cheaper prices for U.S. consumers. Prices USDA, FOB per pound.

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

