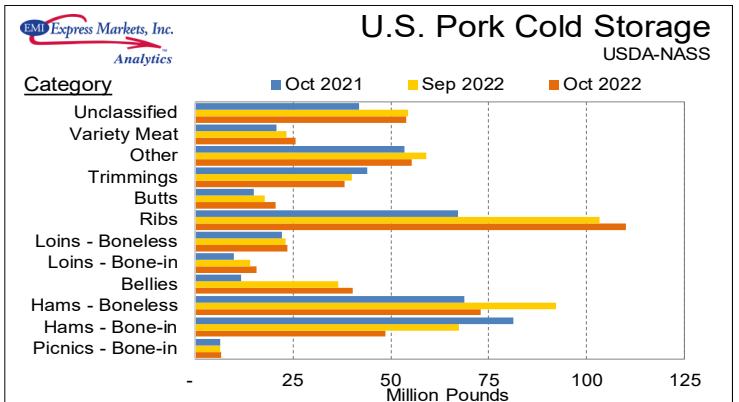
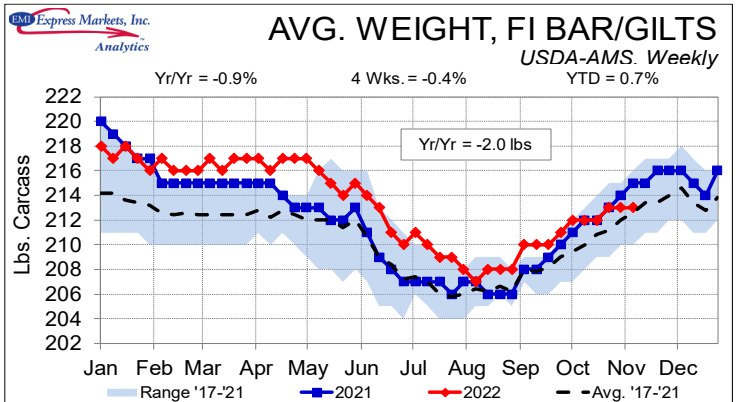
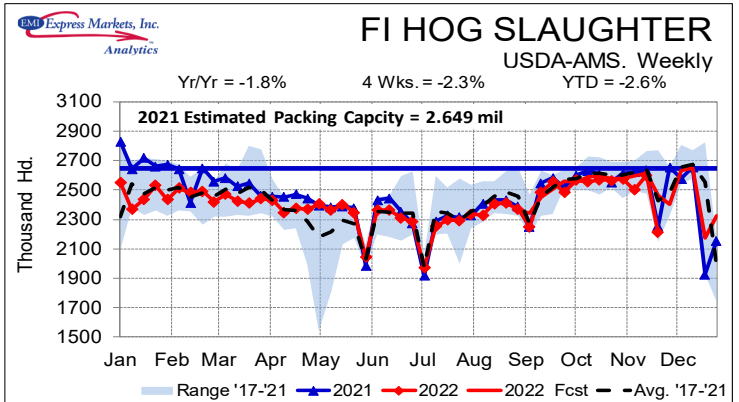


# PORK MARKET RECAP

## Supply and Demand Factors

- Estimated F.I. hog slaughter, for the week ending 11/26/22, was 2.213 million head, down 1.8% versus a year ago.** This was a holiday shortened week. Saturday slaughter was 318,000 head, down 12.4% versus a year ago. This week estimated hog slaughter through 12/1/22 was 1.966 million head and was 42,000 head larger than a year ago.
- For the week ending 11/26/22, the estimated F.I. barrow and gilt hog dressed weights averaged 213 pounds per head, down 0.9% versus a year ago.** Packer sold/owned hog dressed weights were almost 1 pound per head heavier versus a year ago, averaging around 220 pounds per head. Meanwhile, producer sold/owned dressed weights averaged 212 pounds per head and were down 4 pounds per head versus a year ago. (Charts on page 4)
- Another delay is possible for California's Proposition 12 implementation.** According to a recent article in Pork Business, California pork consumers negotiated with the State of California to extend the 180-day injunction that was to delay enforcement of Prop 12 until the end of February 2023. The extension, which is expected to be approved by the Superior Court of Sacramento, would push the delay until July 1st, 2023.
- The October 31st U.S. frozen pork inventories, in packer and commercial freezers, totaled 511.1 million pounds, up 15.5% versus a year ago, down 4.8% from the previous month.** Ham stocks were down 19.1% versus a year ago and down 23.9% from the previous month. Bone-in ham inventories were down 40.2%, while boneless ham was up 5.8% versus a year ago. Belly stocks were 2.5 times larger versus a year ago when belly stocks had reached a 5-year low. Rib inventories continue to set new 5-year highs and were up 63.7% versus a year ago, up 6.4% from the previous month.

Market	Comments	Price Bias
Hogs	Fewer hogs, China Hogs?, Mexico-EU-BRA, Record retail \$	Sidew ays
Fed Cattle	NOV COF dn 2%, Placements down 6.1%, Holiday demand	Higher
B/S Breast	Holiday production schedules in play; Retail focused elsewhere.	Sidew ays
Corn	Miss. River slows exports, cash \$ higher in Western U.S.	Sidew ays
SoybeanMeal	CN zero covid policy continues, palm oil trends higher	Sidew ays
Equities	S&P mixed over CN concerns, potential easing rate hikes	Sidew ays



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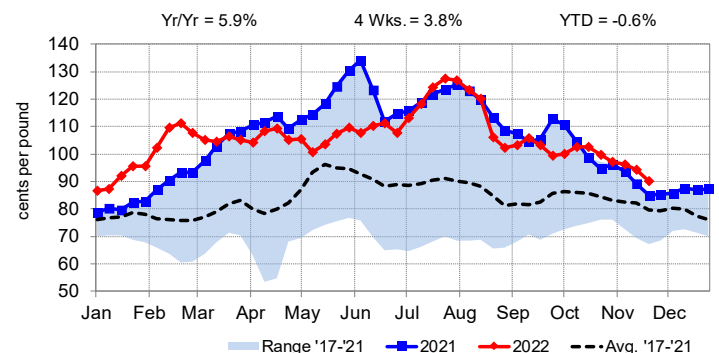
## Pork Markets

- **For the week ending 11/26/22, the pork cutout value averaged 90 cents per pound, down 4.6% from the previous week, up 5.9% versus a year ago.** The ham and belly primal cuts were the biggest contributors to the weaker cutout value. The loin and ham primal cuts account for about 50% of the cutout value, followed by the belly, picnic, butt, and rib primal. Seasonally, the cutout softens in the coming weeks and then begins to trend higher into the new year.
- **For the week ending 11/26/22, the loin primal averaged 81 cents per pound, and was flat with the previous week.** Bone-in loins were up 1-4% from the previous week, up 25-37% versus a year ago. Backribs, 2 pounds and up, averaged \$1.64 per pound and were up 3.5% from the previous week and may be starting to turn around after reaching a 2-decade low in the prior week.
- **For the week ending 11/26/22, the belly primal averaged \$1.07 per pound, down 9.2% from the previous week.** The 13-17# derind belly was down 11.9% from the previous week, and almost 18 cents per pound lower than the 9-13# derind belly, which was down 1.1% from the previous week. The larger decline in the 13-17# derind belly may suggest that some discounting was needed to keep product moving.
- **For the week ending 11/26/22, the ham primal averaged 98 cents per pound, down 7.5% from the previous week.** Weaker prices in heavy hams contributed to the weaker ham primal value. The 23-27# trimmed selected ham was down 9.6% from the previous week, and the 20-23# trimmed selected ham was down 7% from the previous week. HPAI in turkey flocks remains a concern and may add some volatility to ham prices.
- **Trim prices were mixed this week.** For the week ending 11/26/22, the 42% trim combo averaged 57 cents per pound, down 13.9% from the previous week. The 72% trim combo averaged \$1.00 per pound, up 2% from the previous week.
- **For the week ending 11/26/22, the estimated packer gross margin averaged \$39.25 per head, down 19.1% versus a year ago.** The meat margin, the difference between the cutout value and the hog cost, averaged \$7.16 per head. Stronger hog prices versus the cutout value have limited the meat margin for most of 2022. Generally, late Q3 and Q4 are when estimated margins are the strongest due to the increase in the number of hogs available and weaker hog prices. Stronger pork byproduct values, up 21.5% year-to-date, have offset some of the decline in the weaker margins. (Charts on page 4)

USDA Pork Cutout Weekly Wgt Avg	Current	Prior	%	Prior	%
	W/E 11/26/22	W/E 11/19/22	Change W/W	Year W/E 11/27/21	Change Y/Y
<b>Pork Carcass Cutout</b>	90.07	94.39	-4.6%	85.03	5.9%
<b>Loin Primal Value</b>	81.37	81.43	-0.1%	81.81	-0.5%
1/4 Trimmed Loin VAC	104.84	100.86	3.9%	76.57	36.9%
1/8 Trimmed Loin VAC	104.76	103.34	1.4%	83.89	24.9%
Bnls CC Strap-on	120.87	121.03	-0.1%	117.89	2.5%
Bnls CC Strap-off	138.07	139.26	-0.9%	161.72	-14.6%
Boneless Sirloin	127.97	127.02	0.7%	122.55	4.4%
Tenderloin	152.28	166.80	-8.7%	211.04	-27.8%
Backribs 2.0#/up	164.46	158.83	3.5%	406.93	-59.6%
<b>Butt Primal Value</b>	98.00	97.29	0.7%	96.78	1.3%
1/4 Trim Butt VAC	106.93	104.91	1.9%	97.44	9.7%
1/8 Trim Steak Ready Butt Vac	120.13	110.77	8.4%	118.32	1.5%
1/4 Trim Bnls Butt 1 Pc VAC	173.55	175.59	-1.2%	177.55	-2.3%
<b>Picnic Primal Value</b>	80.24	83.08	-3.4%	65.61	22.3%
SS Smoker Trim Picnic VAC	126.87	124.76	1.7%	89.47	41.8%
Picnic Cushion Meat Poly	153.91	152.44	1.0%	147.28	4.5%
<b>Rib Primal Value</b>	118.24	121.82	-2.9%	135.66	-12.8%
Trmd Sparerib - MED	131.34	132.78	-1.1%	146.91	-10.6%
<b>Ham Primal Value</b>	97.67	105.54	-7.5%	70.92	37.7%
20-23# Trmd Selected Ham	102.44	110.13	-7.0%	57.73	77.4%
23-27# Trmd Selected Ham	94.86	104.91	-9.6%	58.79	61.4%
4 Muscle Ham to Blue	248.31	248.31	0.0%	229.62	8.1%
<b>Belly Primal Value</b>	106.76	117.57	-9.2%	120.65	-11.5%
Derind Belly 9-13#	143.11	144.63	-1.1%	145.64	-1.7%
Derind Belly 13-17#	125.26	142.24	-11.9%	148.68	-15.8%
Skin-on Belly 12-14#	137.12	137.68	-0.4%	132.90	3.2%
<b>Trimmings</b>					
42% Trim Combo	56.80	66.00	-13.9%	33.84	67.8%
72% Trim Combo	100.09	98.09	2.0%	64.07	56.2%
Picnic Meat Combo Cushion Out	102.69	111.89	-8.2%	71.08	44.5%
<b>Hogs</b>					
National Direct Hog	86.59	88.52	-2.2%	73.97	17.1%
Producer Sold B&G	86.70	88.63	-2.2%	74.46	16.4%
Prod. Sold Negotiated B&G	84.53	87.31	-3.2%	57.54	46.9%
CME LH Index	85.56	87.93	-2.7%	71.77	19.2%
Lean Hog Futures - CME	83.94	85.00	-1.2%	74.36	12.9%
10-12 Weaner Pigs	43.39	41.90	3.6%	54.78	-20.8%
National Sow 550 lb and Up	63.00	65.48	-3.8%	78.28	-19.5%
<b>Grains</b>					
Corn Futures (\$/bu)	6.62	6.65	-0.5%	5.81	13.9%
Soybean Meal Futures (\$/ton)	409.63	407.72	0.5%	361.50	13.3%
Soybean Oil Futures (cents/lb)	74.07	74.44	-0.5%	59.88	23.7%

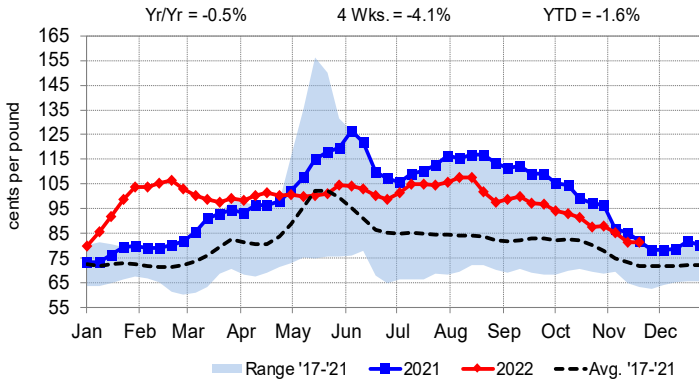
EMD Express Markets, Inc.  
Analytics

### USDA PORK CUTOUT VALUE USDA-AMS, PK610 Weekly



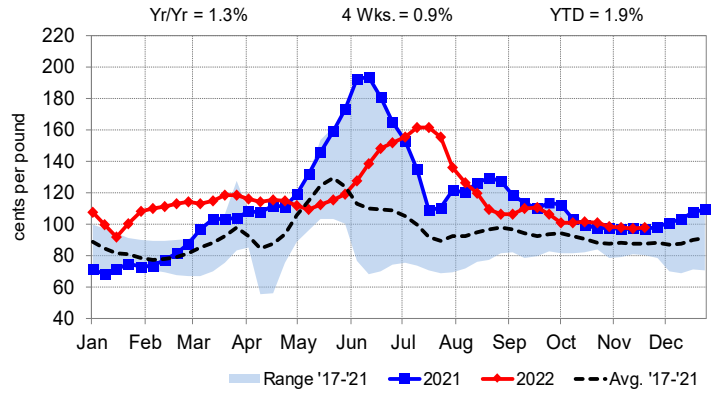
### Loin Primal

USDA-AMS, PK610 Weekly



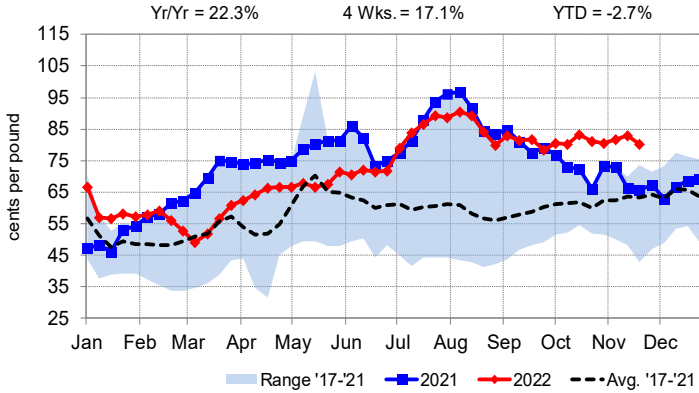
### Butt Primal

USDA-AMS, PK610 Weekly



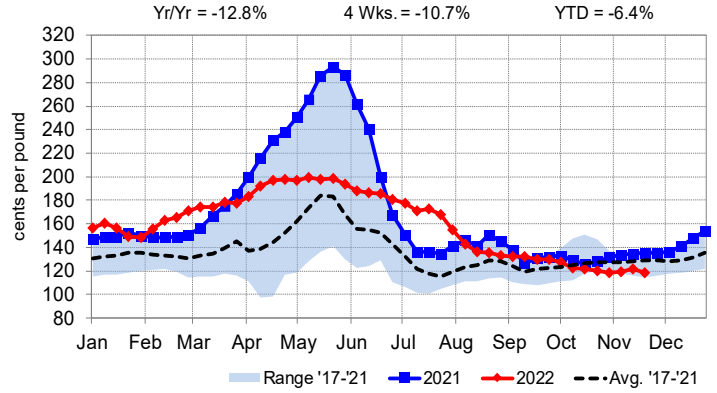
### Picnic Primal

USDA-AMS, PK610 Weekly



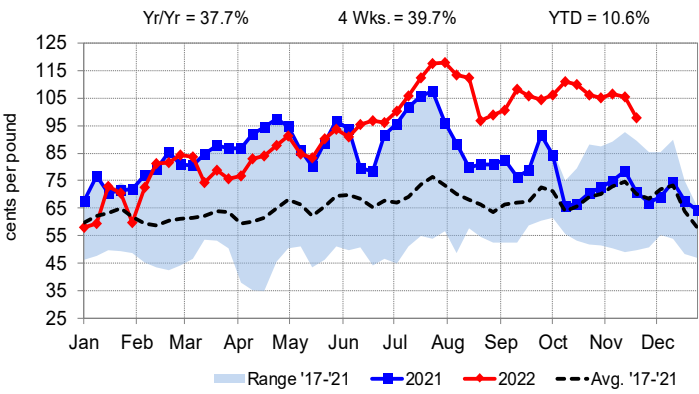
### Rib Primal

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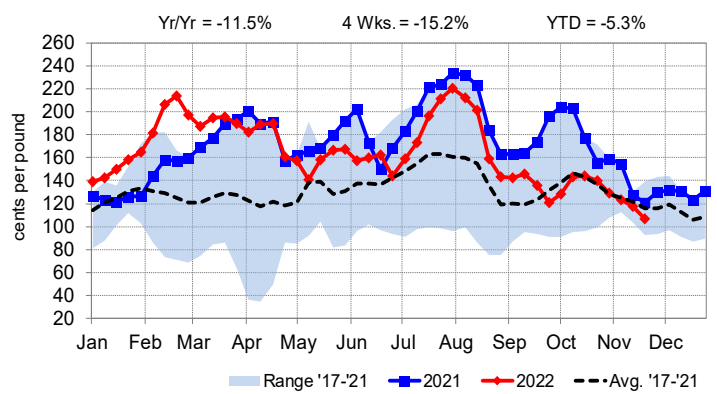
### Ham Primal

USDA-AMS, PK610 Weekly



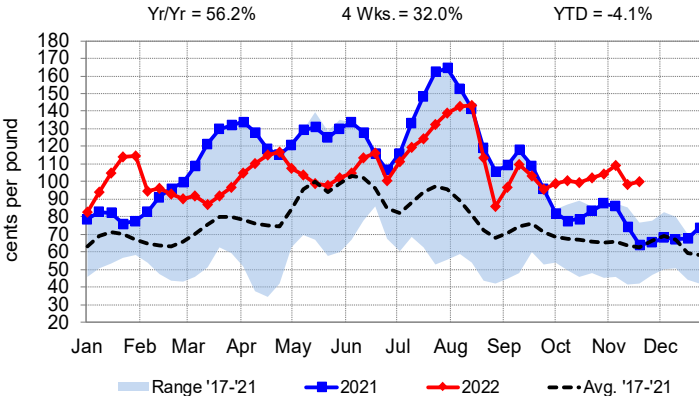
### Belly Primal

USDA-AMS, PK610 Weekly



### 72% Trim Combo

USDA-AMS, PK610 Weekly



### 42% Trim Combo

USDA-AMS, PK610 Weekly

