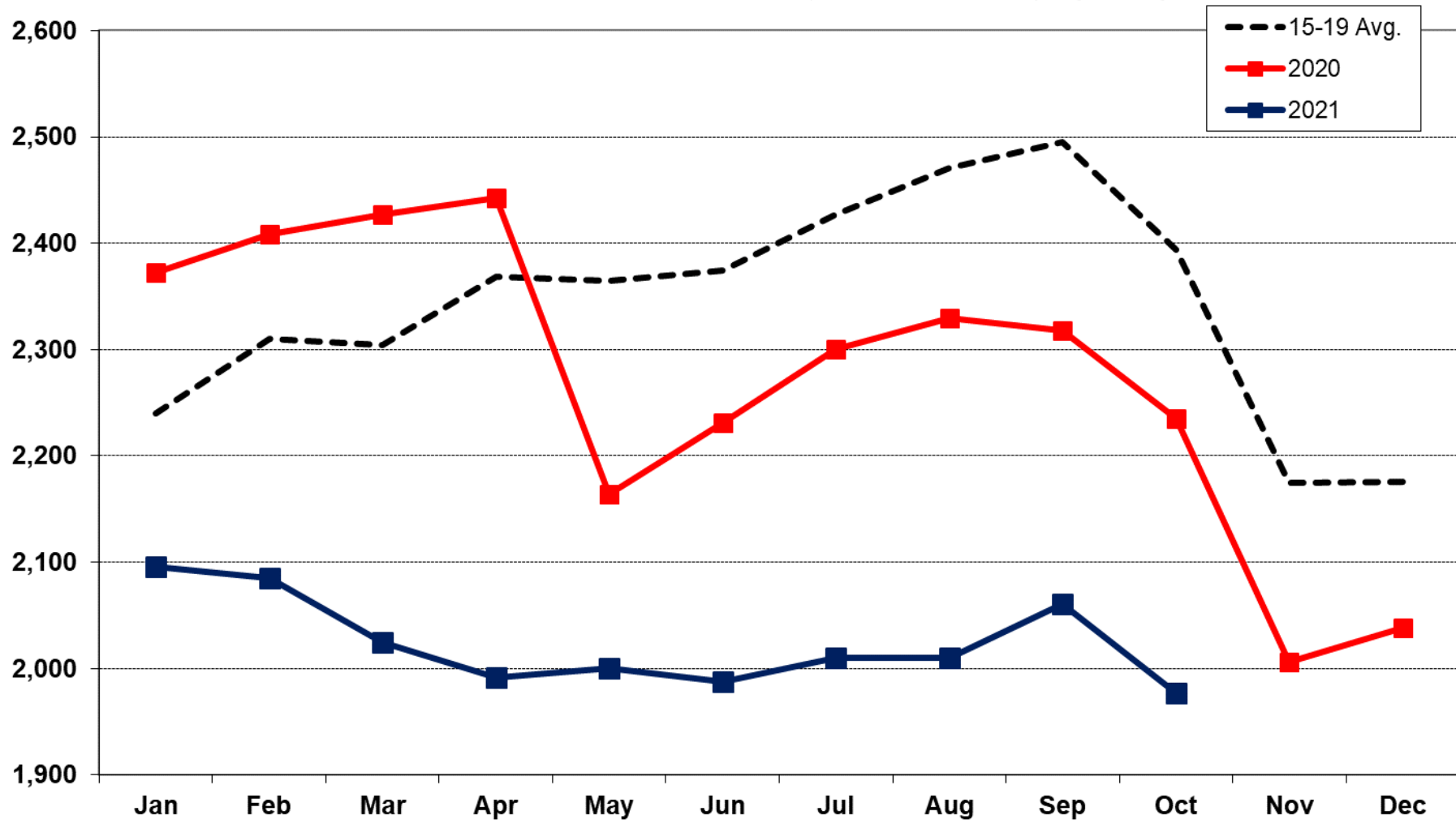


- **Hog harvest levels this week are expected to be near 2.66 million head, down 4.5% from the elevated slaughter levels last year. If obtained this will be the largest slaughter level since early February. Next week is expected to be another large harvest week near 2.64 million head as the industry tries to work through hog supplies ahead of the shortened Holiday weeks. Hog weights could be nearing seasonal highs as temperatures start dropping in the Midwest.**
- **The pork cutout has held under \$90 for the past two weeks printing at \$82 on Wednesday, down \$3 from last week but 7% above year ago levels. The cutout could chop around current levels near-term with volatile daily swings as pork production levels will ebb and flow due to the holidays and labor challenges.**
- **Markets are carefully monitoring new data about the Omicron coronavirus variant to determine the severity and potential economic impact that could take place. Thus far the foodservice industry is running strong and could be more resilient to a “demand fall” as safety measures are already in place.**
- **The USDA October Cold Storage report was released last week. Overall, there were no major surprises with frozen meat inventories in October. Frozen stocks for the major four protein species (pork, beef, chicken, & turkey) were at the lowest monthly level since December of 2014. Frozen pork inventories were at an annual low of 440 million pounds, down 2% vs low levels last year. Holiday hams being pulled out of the freezers could continue to draw down total pork inventories in the upcoming November report. Belly inventories in October remained extremely low at only 12 million pounds, roughly 17 million pounds below the 15’-19’ year average. The pull back in belly prices in recent weeks could have provided opportunities to freeze bellies in November. However, the industry continues to face labor constraints which could place limitations on the ability to box and freeze bellies.**
- **The belly primal market remains extremely volatile printing at \$127 on Wednesday, up \$7 from last week and 30% above last year. Strong fresh slice demand and low frozen belly stocks has kept belly prices elevated compared to historical levels. Belly prices could bounce around current levels near-term before a potential seasonal increase after the holidays.**
- **Boxed beef prices have been resilient staying above \$270 level since late July as domestic and export demand remains strong. Boxed beef prices could test the lows seen in July as demand typically softens heading into the holidays.**

Total Pork, Beef, Chicken, & Turkey in Cold Storage (M lbs)



Description, Price \$/cwt.	Year Ago	Current	% Change	Next 5 weeks				
	12/1/2020	12/1/2021		12/11/21	12/18/2021	12/25/21	01/01/22	01/08/22
National Lean Hog	57	58	2%	58	57	55	54	55
23/27 Hams	68	55	-20%	58	53	52	52	56
Belly Primal	97	127	30%	135	128	125	130	138
42% Trim	24	40	64%	38	35	34	37	40
72% Trim	82	65	-21%	74	69	65	70	75
Boneless Picnics	88	76	-14%	81	78	75	76	78
SS Smoker Trim Picnic VAC	100	89	-11%	95	96	92	89	85
Medium Ribs	148	147	-1%	147	148	148	149	152
Backribs 2.0#/up	313	404	29%	410	410	400	400	400
Loins, 1/4" Trim 21#/dn	80	78	-2%	85	88	90	92	94
Tenderloin	172	217	26%	210	215	216	217	218
Butts, 1/4" Trim 5-10#	78	101	29%	105	108	108	109	106
450-500 lb Sow	47	72	55%	70	69	68	67	64
Choice Boxed Beef	243	270	11%	270	268	266	265	267
Beef 50%	45	98	119%	93	88	92	93	95
Beef 85%	175	256	47%	253	253	252	251	253
Beef 90%	204	276	36%	276	276	275	274	276
Bnls Chicken Breast	94	189	101%	185	182	180	182	184
Turkey Breast -Toms	172	373	117%	369	362	357	352	350
MDT <20% Frsh	36	50	38%	49	48	48	47	46
MDC 15-20% Frsh	29	39	34%	39	39	37	37	37