



USDA / AMS Pork Price Reports

USDA/AMS Pork Webinar
October 26, 2021

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AMS Pork Price Reporting & Sterling Marketing's Services for Clients

- Pork cut price forecasts
- Pork cutout
- Pricing strategies to manage procurement price risk
- Pork industry margins

Prices Risk management

Price reporting must be:

- ✓ Accurate
- ✓ Timely
- ✓ Transparent
- ✓ Accessible

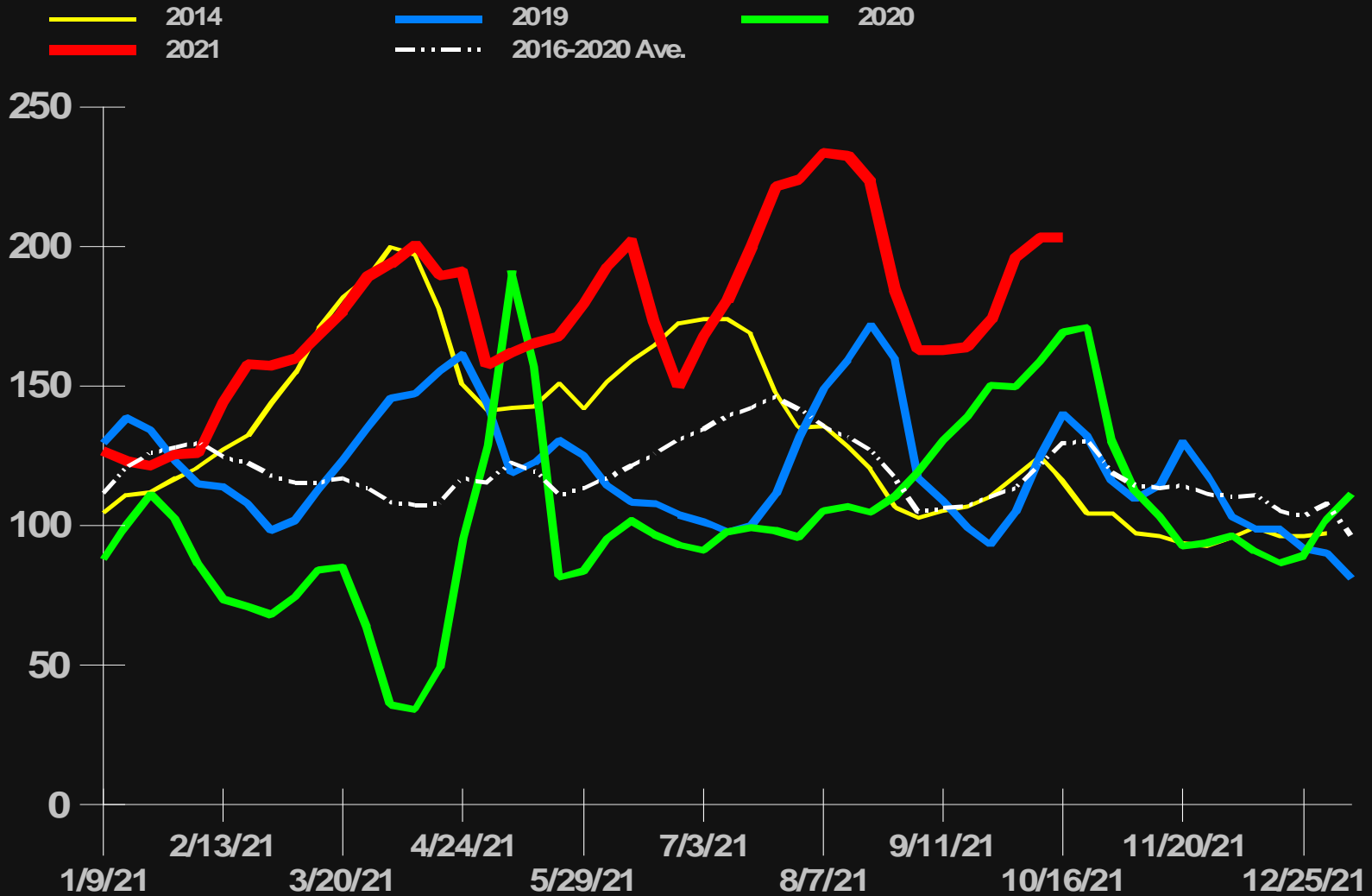
What is the value of AMS's Mandatory Price Reporting?

Price analysis using AMS reported prices

An Example

Belly Primal Value

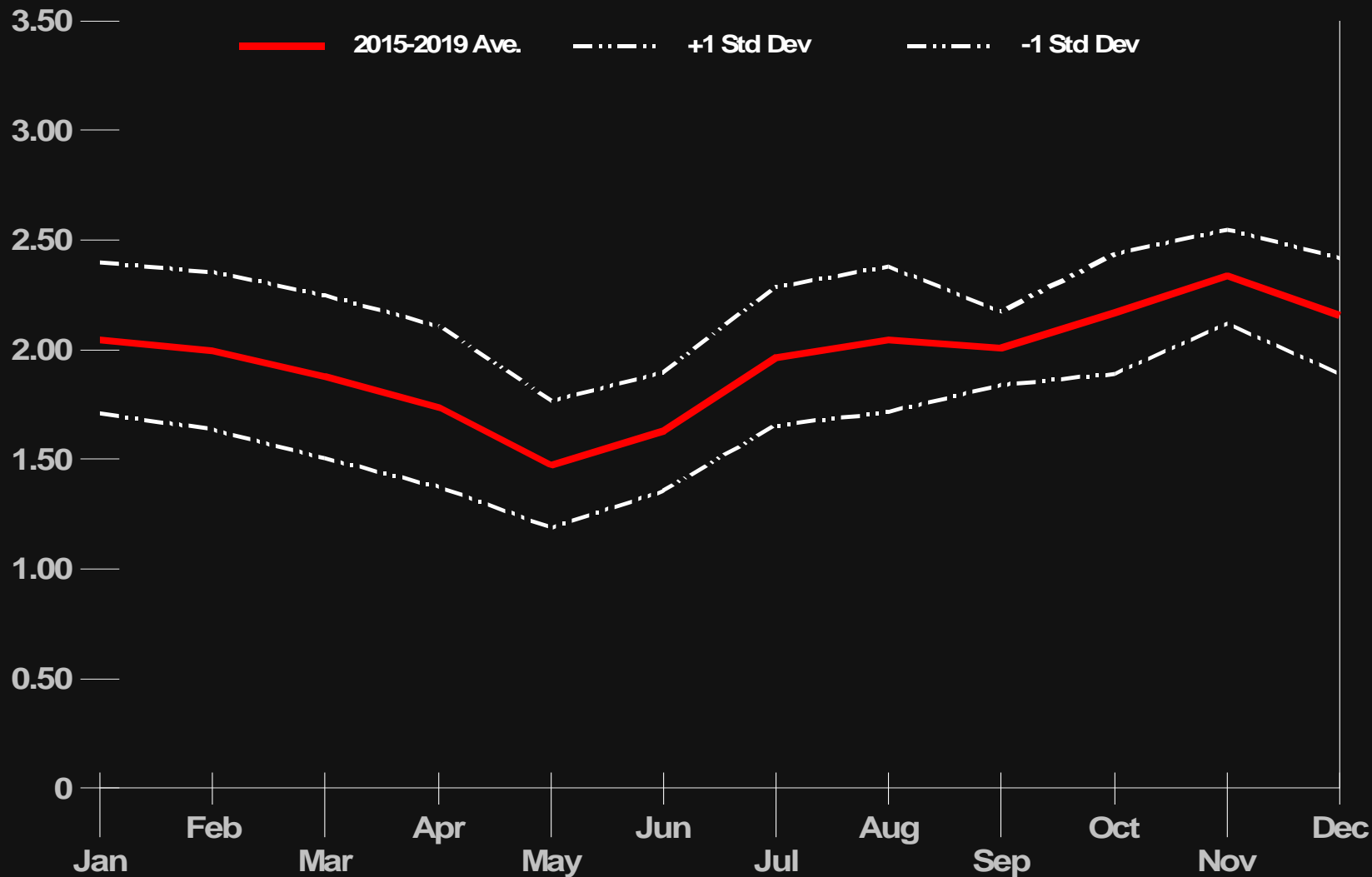
Dollars per cwt



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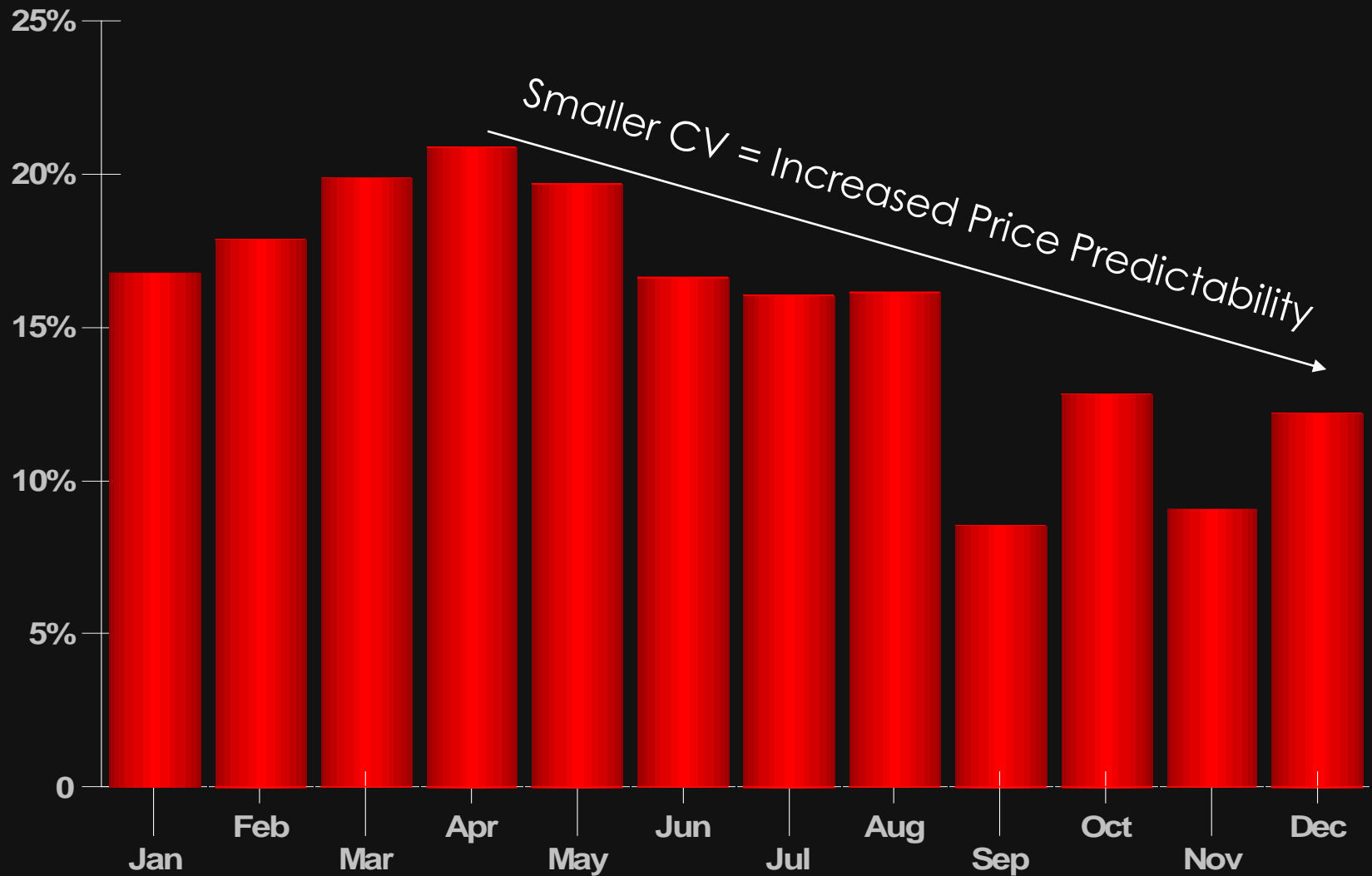
Product Ratio – Belly Primal Value / Lean Carcass Value



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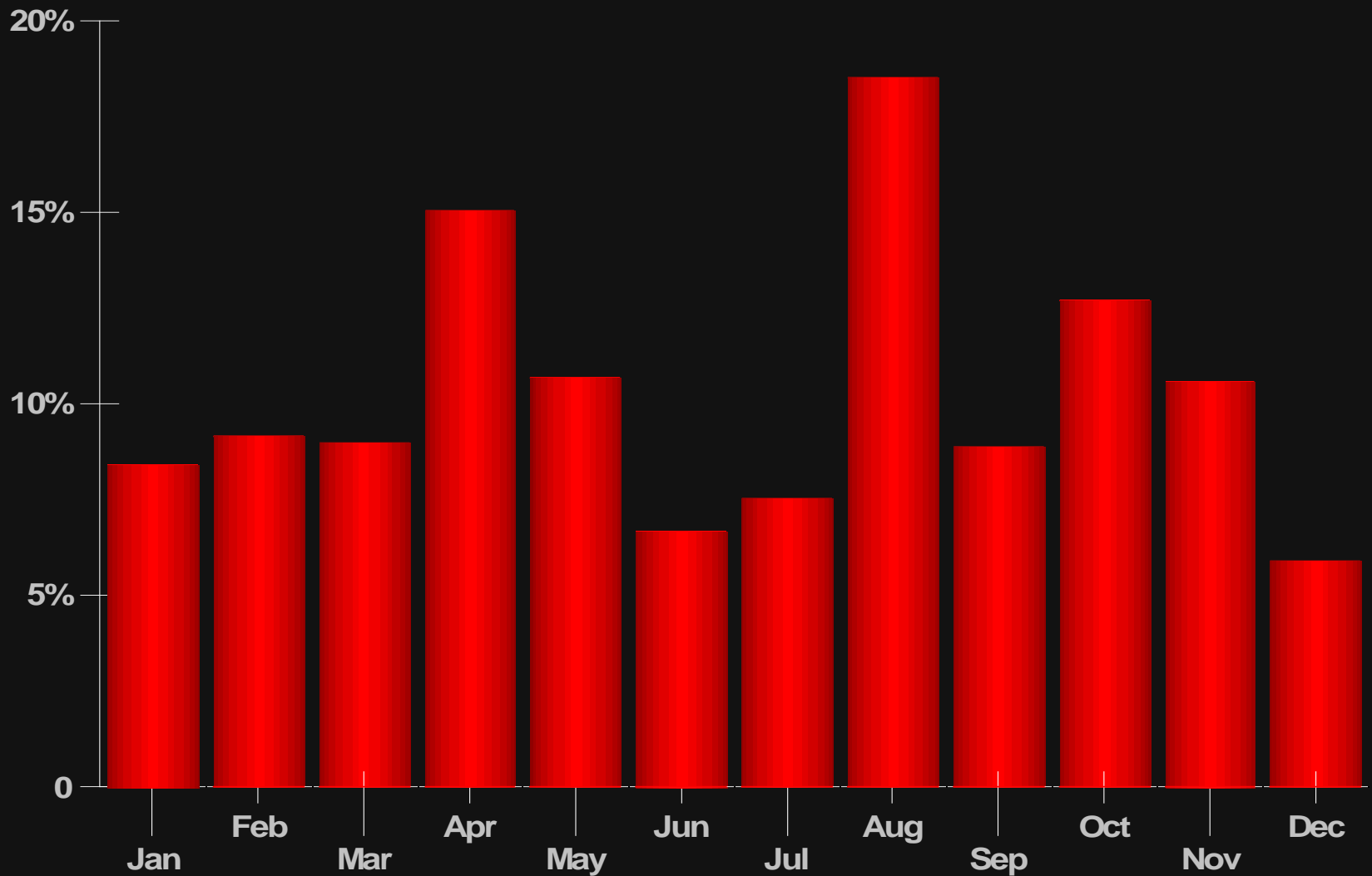
Coefficient of Variation – Belly Primal Value / Lean Carcass Value



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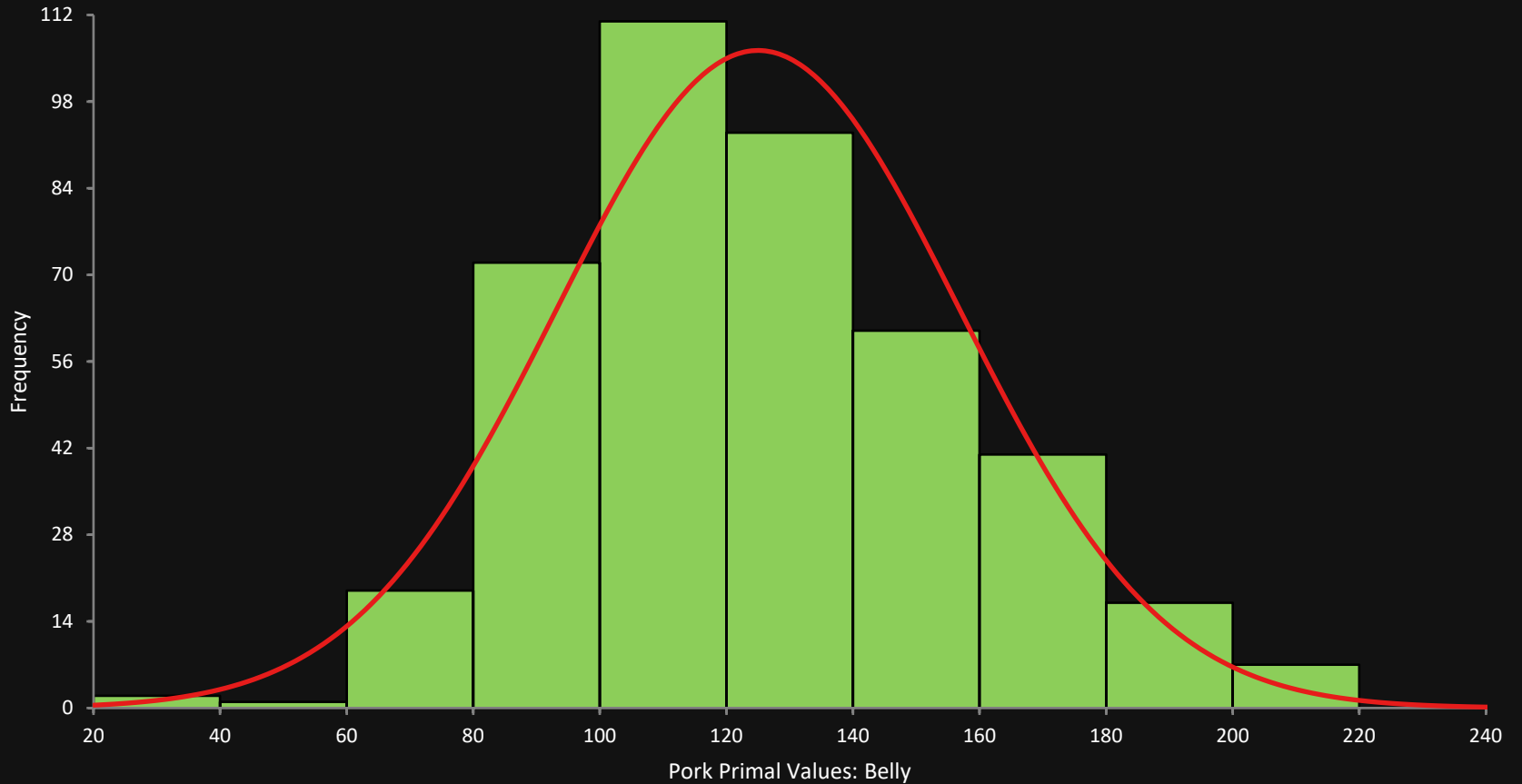
Coefficient of Variation – Loins (14-18 lb.) ¼" trim / Lean Carcass Value



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Distribution: Pork Primal Values: Belly



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Price analysis using AMS reported prices

1. Forecast Supply
2. Forecast Lean Carcass Value
3. Forecast Cut Prices
4. Build the Pork Cutout Value
5. Generate Producer & Packer Margins
6. Evaluate Price Projections

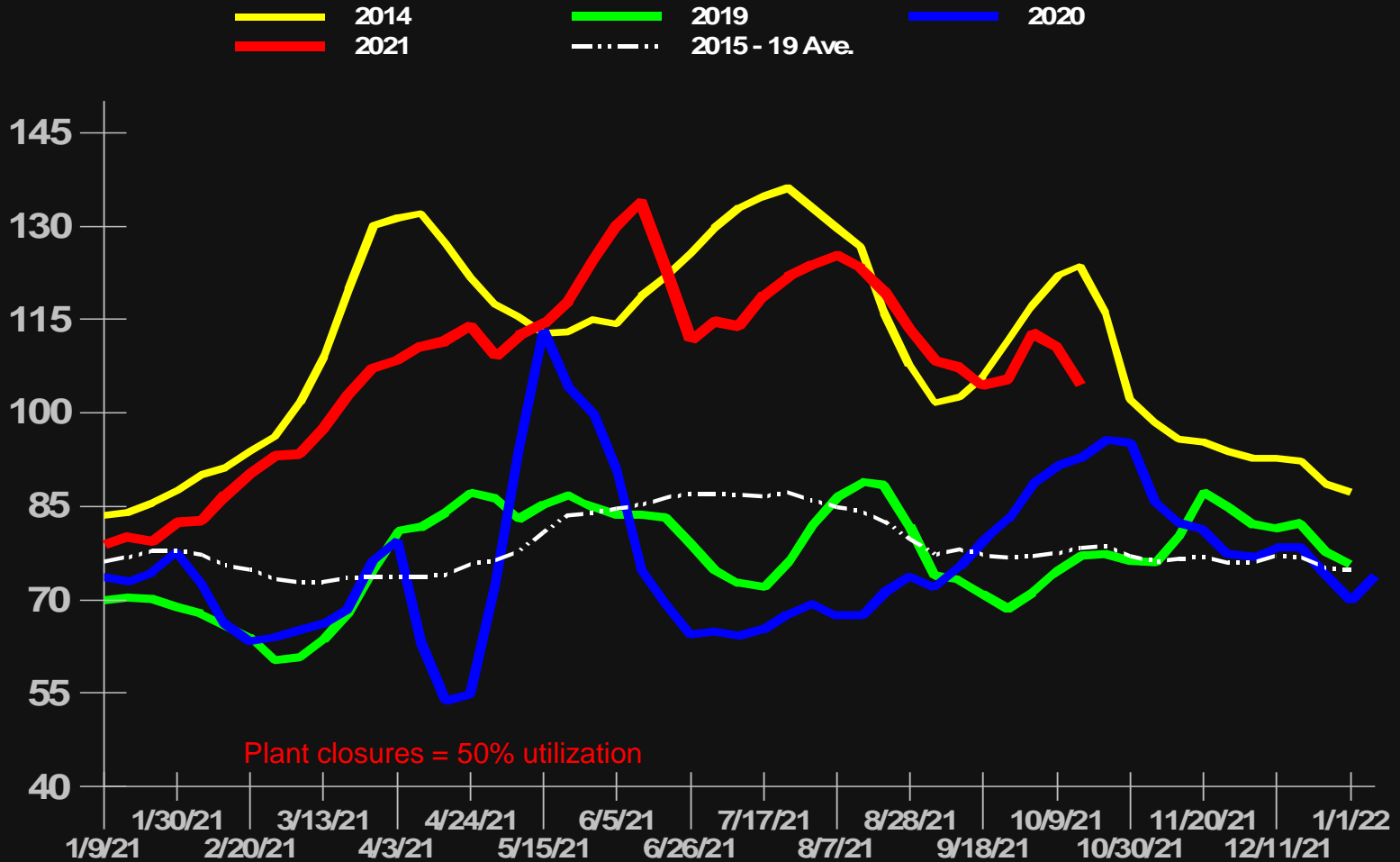
Industry Margins

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Pork Cutout Value

Dollars per cwt

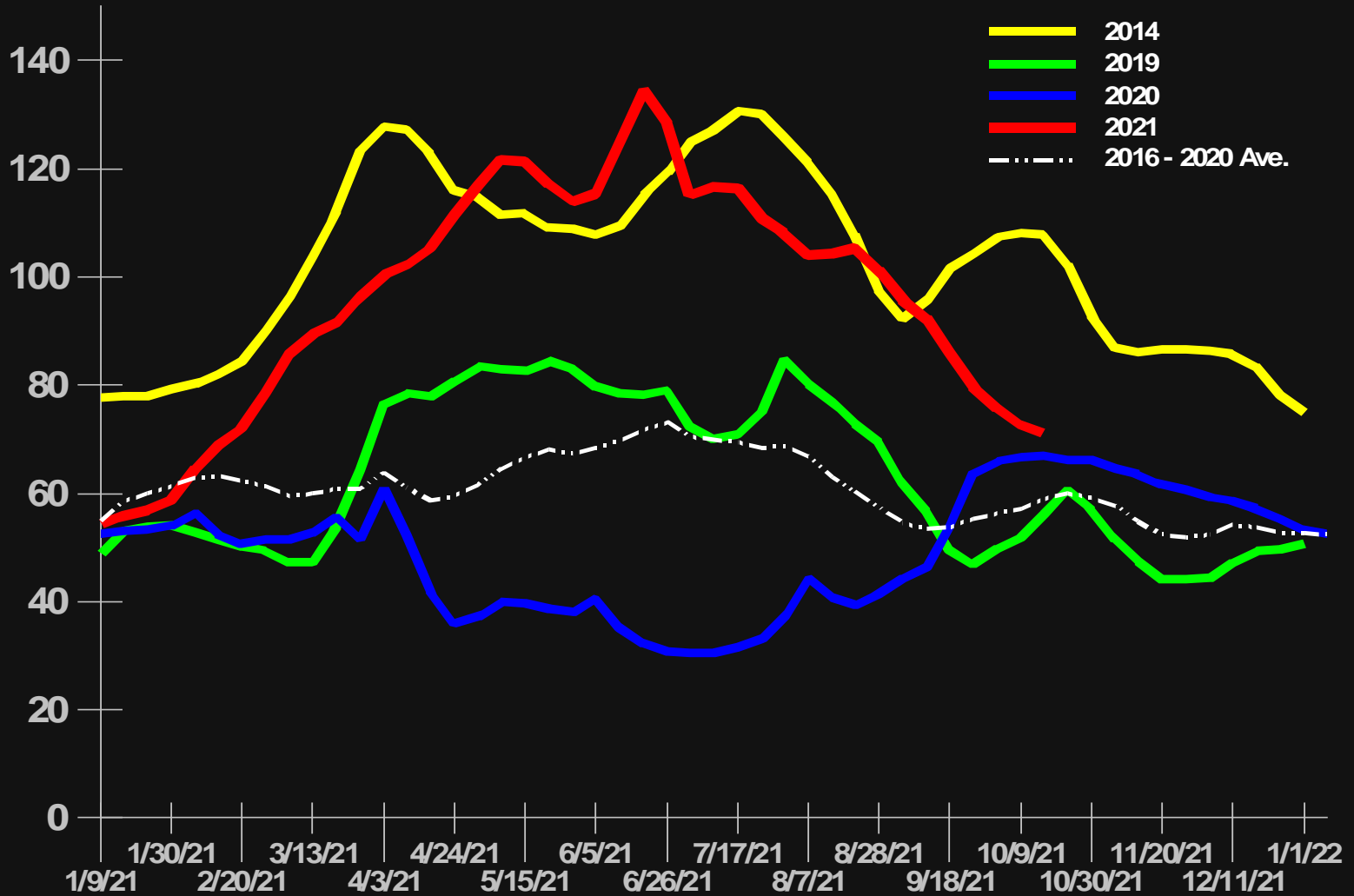


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Lean Carcass Value

Dollars per cwt

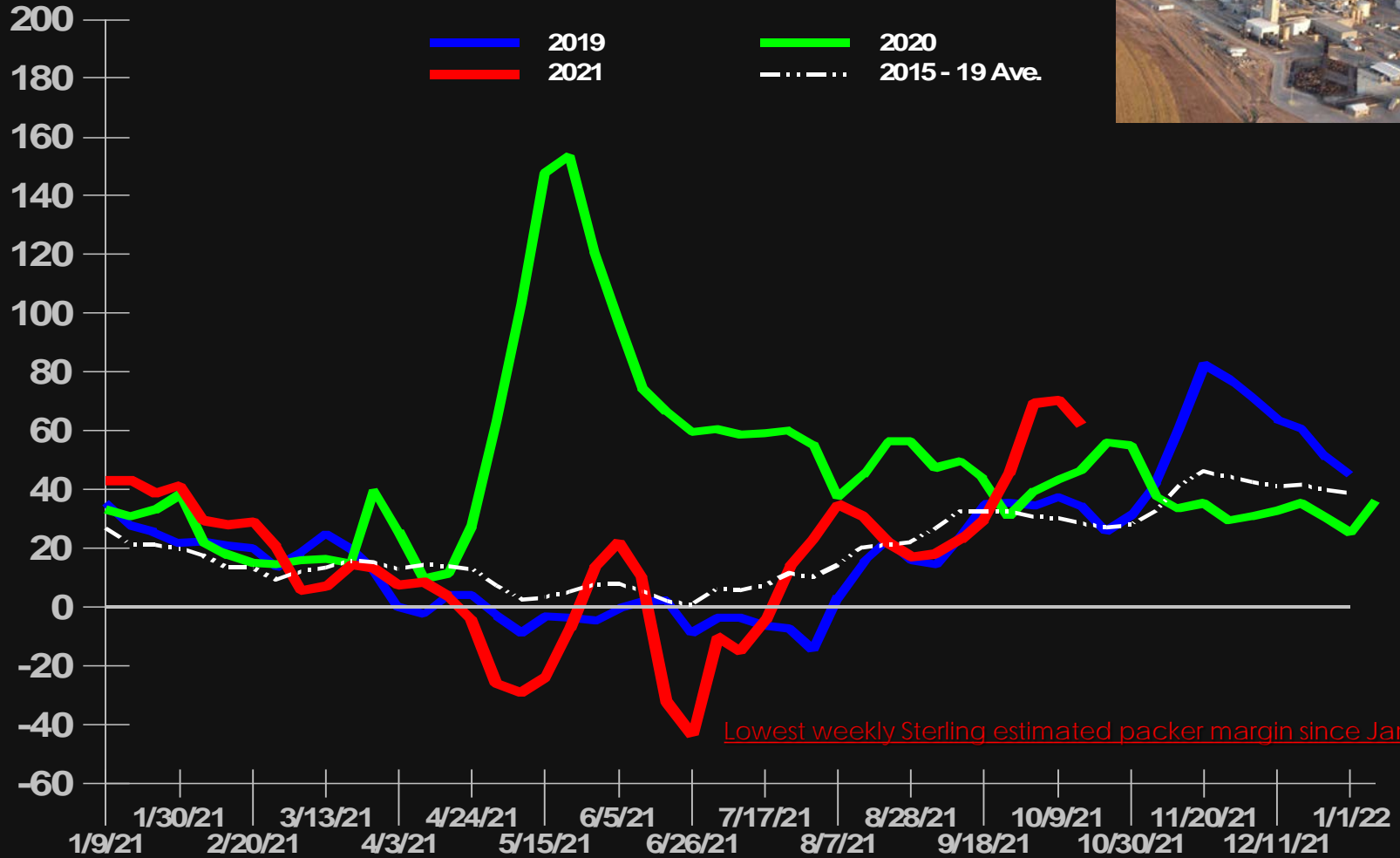


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Pork Packer Operating Margins

Dollars per head

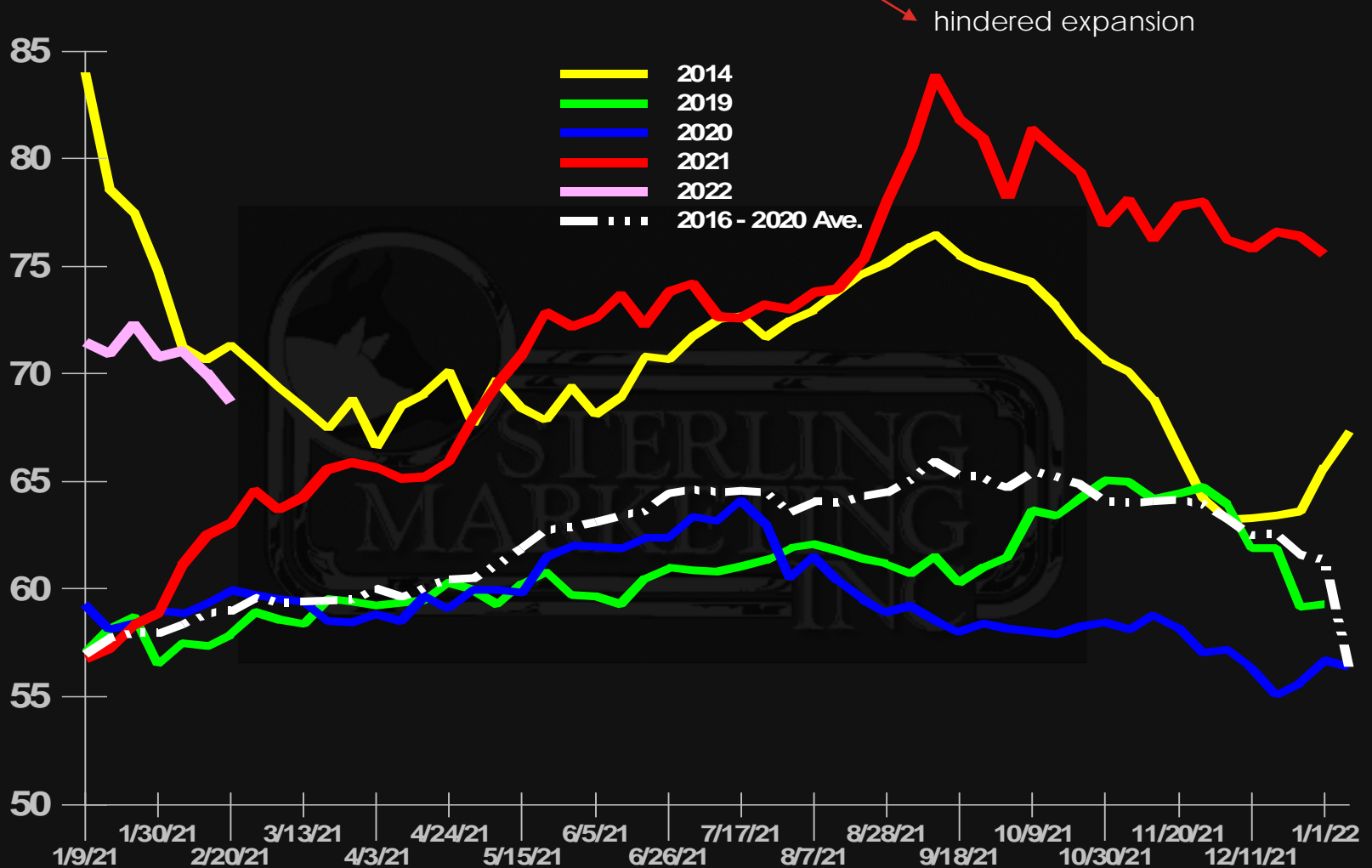


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Hog Producer Breakeven

Dollars per cwt



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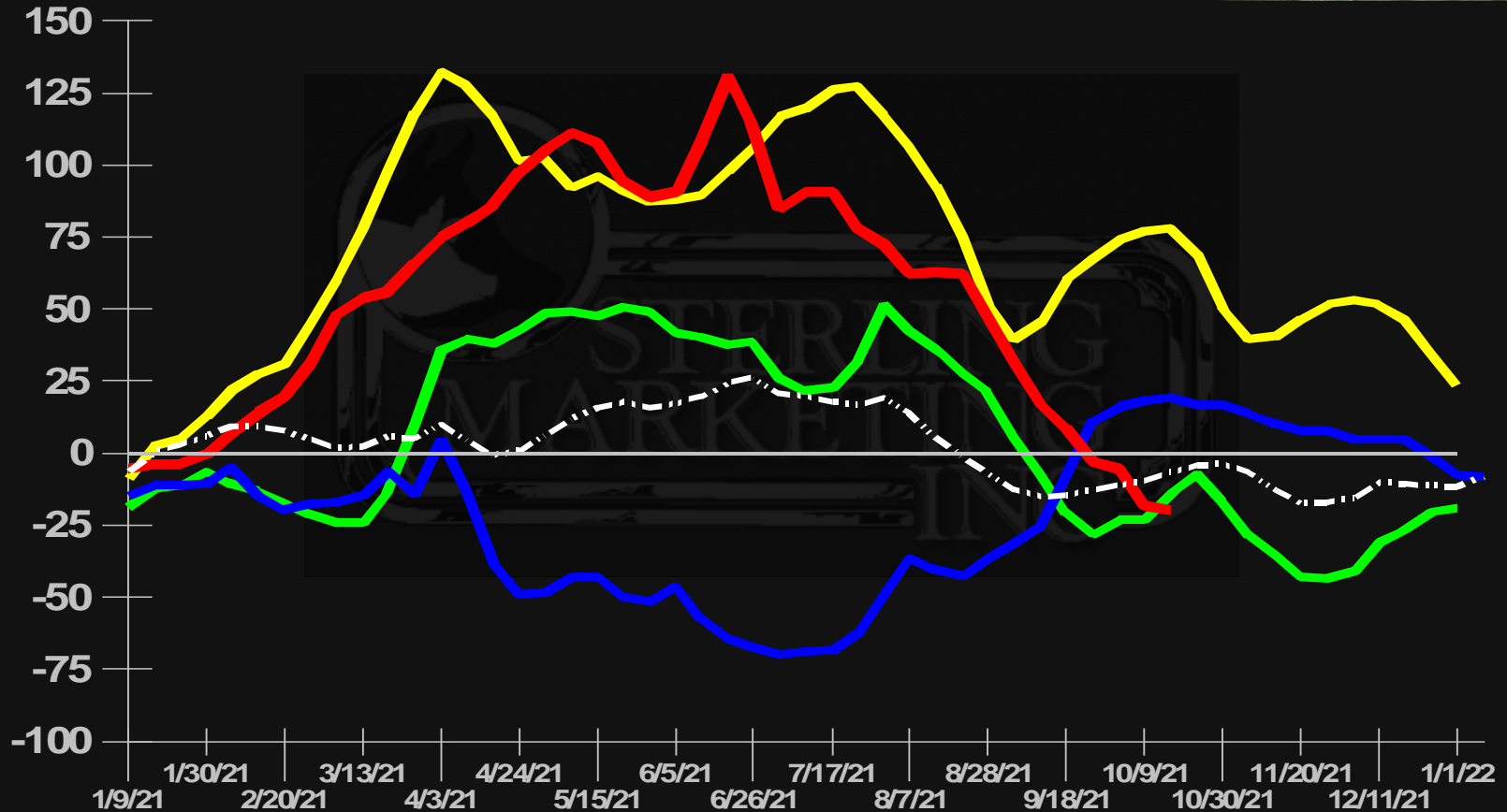


Hog Producer Margins

Dollars per head



— 2014
— 2021
— 2019
- - - - 2016 - 2020 Ave.
— 2020



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Agricultural Marketing Service's Mandatory Price Reporting provides a necessary and valuable service to firms such as Sterling Marketing as we analyze and assess specific markets to provide risk management advice to our clients including packers, processors, chain restaurants, producers, and banks.

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