Meet Scott

- Vice President of the National Pork Producers Council
- A 5th generation pork producer from Monroe City, MO
  - Two-Mile pork is a family operation
  - Growing up, Uncle Pat handled the marketing
Markets – A Look Back

• Daily Markets
  • Given on the radio
  • Charted by hand
• Marketed Pigs
  • Cash sales
  • Day of delivery
• Inefficiencies were high
Today’s Markets Have:

✓ Longer-term agreements
✓ Formula prices tied to:
  • CME index
  • Cutout report 602
  • Cash market/western cornbelt 212
  • CME futures
  • Cash sales
✓ Individual carcass data
  • Monitoring weights
  • Adjusting load count
✓ More Efficiencies
  • Labor
  • Transportation
  • Scheduling
USDA Reports

- National daily hog and pork summary
- Daily Routine?
  - “Hit” refresh at 4:00
  - Enter data into a spreadsheet
  - Pull CME index to same spreadsheet
  - Reference charts on daily summary reporting site

  ➢ Spreadsheet figures daily price paid by packer and allows “what if” scenarios when negotiating packer agreements
USDA Reports

• Other reports referenced include:
  • Weaned feeder pig report – LS255
  • Afternoon live hog report – HG217
  • Cull sow/boar report – HG234
Where We Are Today...

- Finding and charting data is simpler than it was during Uncle Pat’s day, BUT...marketing hasn’t gotten any easier
- The accurate information provided by these reports is key
NPPC Competitive Markets Committee Request on LMR

• Goal? To enhance report clarity and accuracy. Specific requests included:
  ✓ Splitting the swine and pork market formula
    • Will provide a better understanding of cut-out price
  ✓ Pulling out the non-carcass merit premium
    • Will become more important as more markets like that established due to Prop. 12 develop
In Summary...

- As more hedging tools become available, like the Livestock Revenue Protection (LRP) tool and CME cut-out contract develop, it is important to have the USDA report for our marketing decisions.