

Pork and Swine Market Outlook

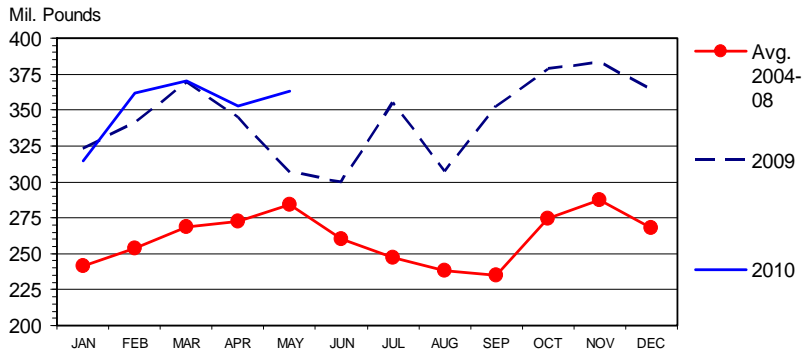
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July 27, 2010

Broad Overview

- Export demand been strong; domestic less robust
- Reduced supplies (both cold storage & hog production)
 - = Heightened prices
- Macroeconomic concerns persist...
- “Social pressures” increasing in influence...
 - = Heightened uncertainty (“the new normal”)

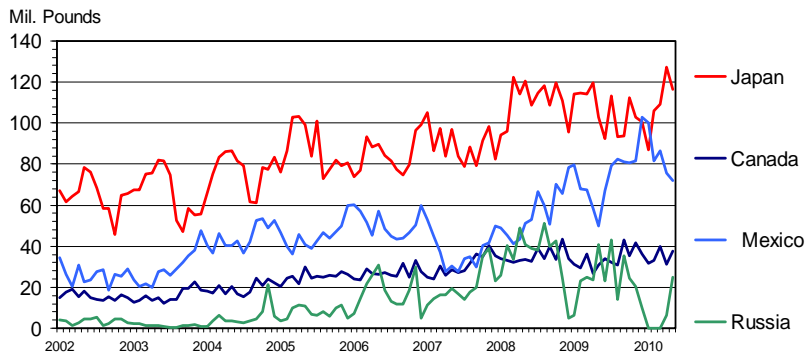
U S PORK EXPORTS Carcass Weight, Monthly



Data Source: USDA-ERS & USDA-FAS,
Compiled by LMIC

FN-30
07/14/10

U S PORK EXPORTS TO MAJOR MARKETS Carcass Weight, Monthly

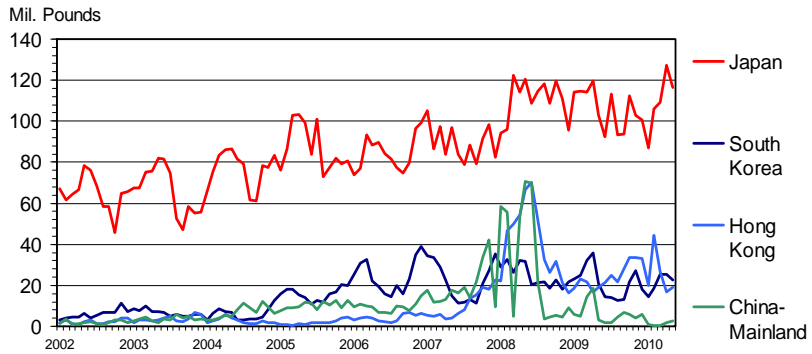


Data Source: USDA-ERS & USDA-FAS,
Compiled by LMIC

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U S PORK EXPORTS TO MAJOR MARKETS

Carcass Weight, Monthly

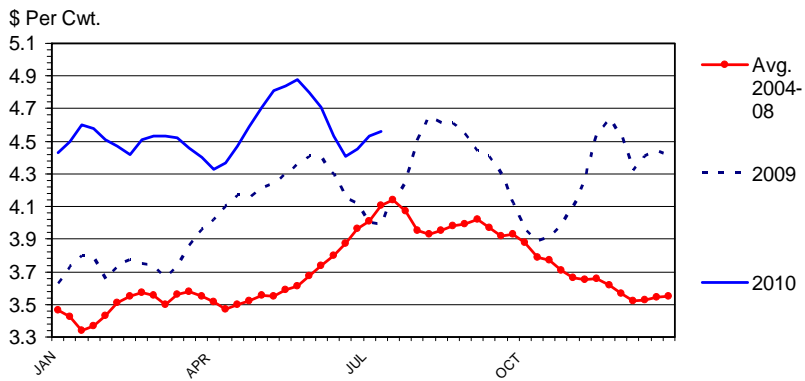


Data Source: USDA-ERS & USDA-FAS,
Compiled by LMIC

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HOG BY-PRODUCT VALUE

Live Animal Basis, Weekly

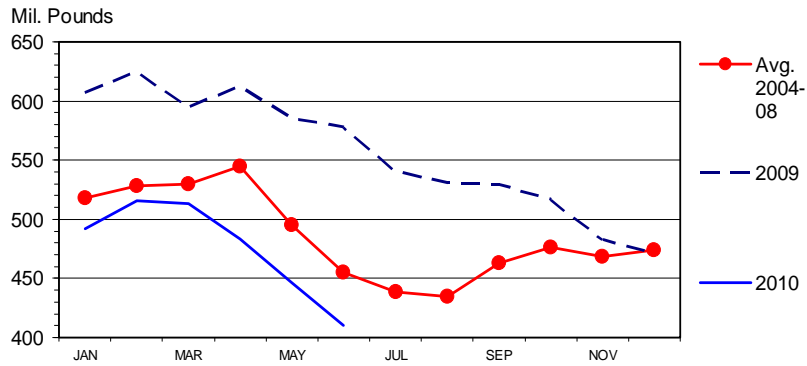


Data Source: USDA-AMS, Compiled by LMIC

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PORK IN COLD STORAGE

Frozen and Cured, End of the Month

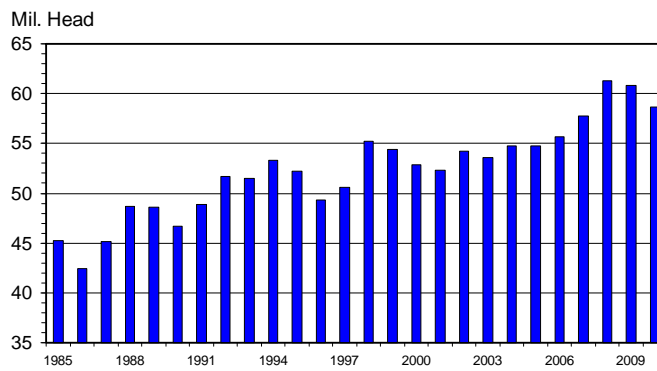


Livestock Marketing Information Center
Data Source: USDA/NASS

M-S-10
07/22/10

JUNE 1 MARKET HOGS

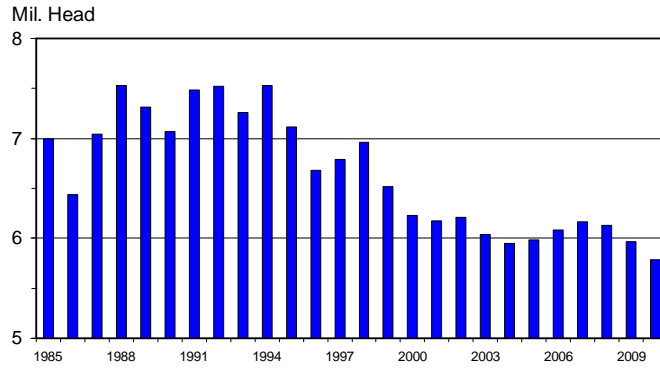
U.S. Inventory



Livestock Marketing Information Center
Data Source: USDA/NASS

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06/25/10

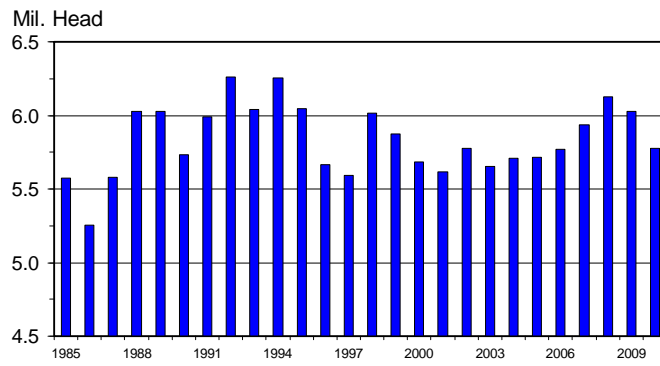
JUNE 1 HOG BREEDING HERD U.S. Inventory



Livestock Marketing Information Center
Data Source: USDA/NASS

H-N-30
06/25/10

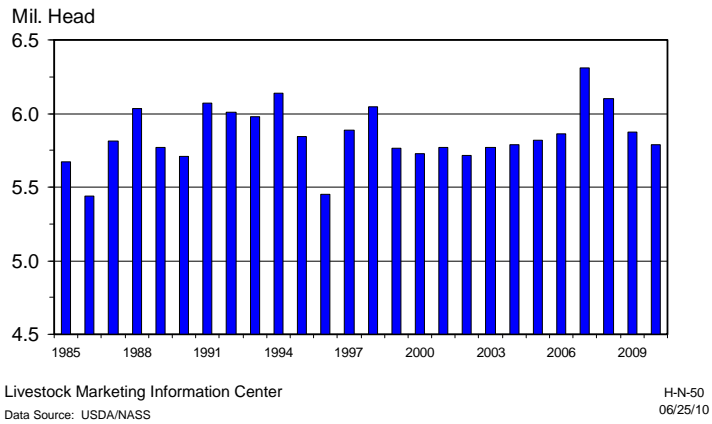
DECEMBER - MAY SOWS FARROWING U.S.



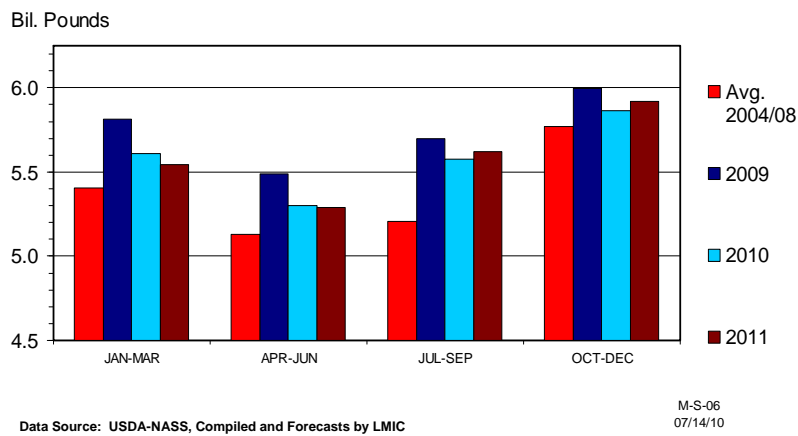
Livestock Marketing Information Center
Data Source: USDA/NASS

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JUNE - NOVEMBER SOWS FARROWING U.S.

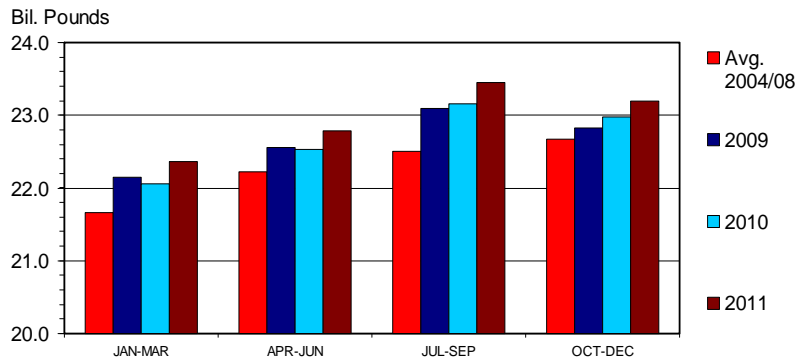


COMMERCIAL PORK PRODUCTION Quarterly



TOTAL RED MEAT & POULTRY PRODUCTION

Quarterly

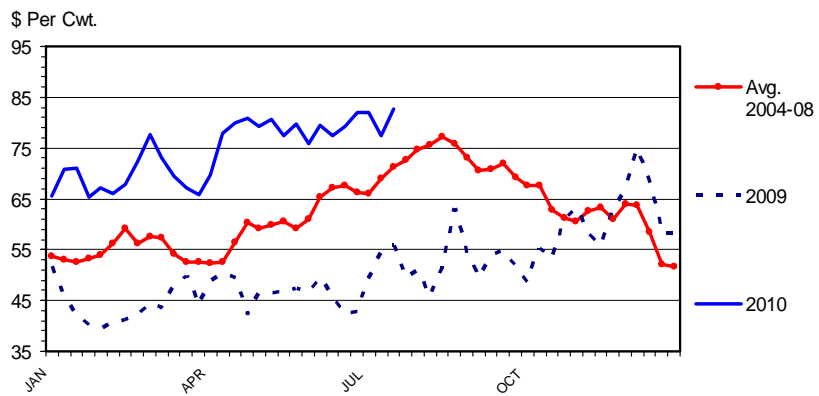


Data Source: USDA-NASS, Compiled and Forecasts by LMIC

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WHOLESALE HAM PRICES

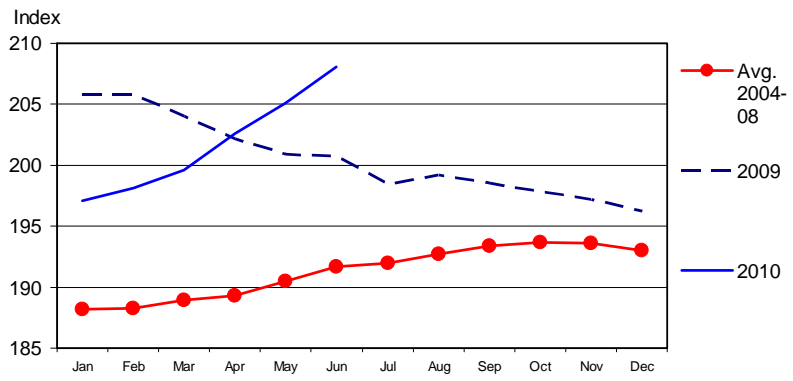
Selected, 23-27 Pounds, Weekly



Livestock Marketing Information Center
Data Source: USDA/AMS

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07/26/10

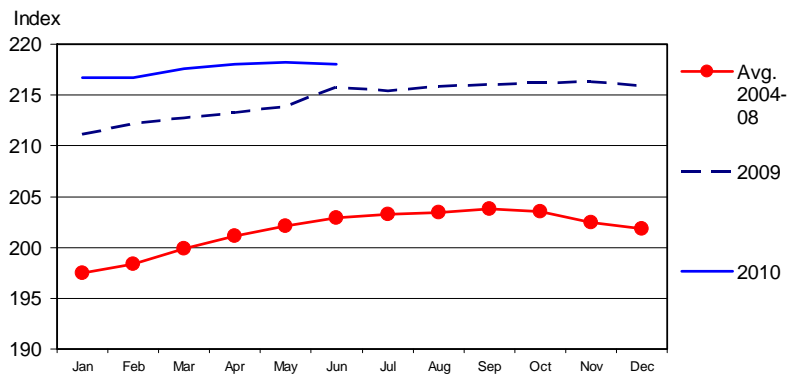
CPI - MEATS
1982-1984 Base, Monthly



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CONSUMER PRICE INDEX - ALL ITEMS
1982-1984 Base, Monthly

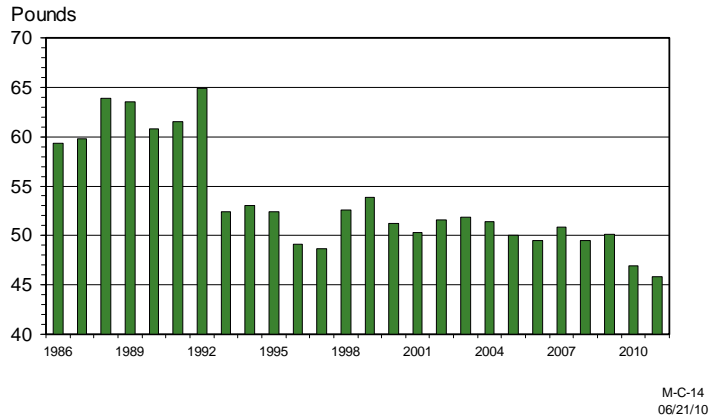


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U S PORK CONSUMPTION

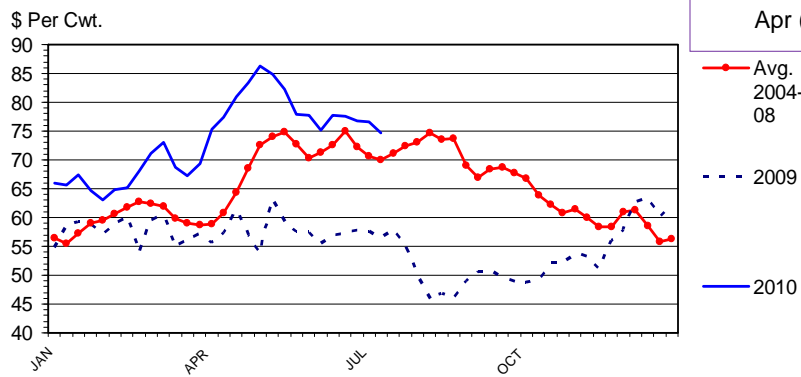
Per Capita, Retail Weight, Annual



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BARROW AND GILT PRICES

Iowa - So. Minnesota, Carcass Base Price, Weekly



LH FUTURES (7/27)

Aug: 82.25
 Oct: 76.15
 Dec: 73.75
 Feb (11'): 75.25
 Apr (11'): 76.00

Data Source: USDA-AMS, Compiled & Analysis by LMIC

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QUARTERLY HOG & PORK FORECASTS (LMIC: 7/23/2010)

Year	Comm'l	% Chg. Average from Carcass	Average Weight	% Chg. from	Comm'l	% Chg. from
Quarter	Slaughter	Year Ago	Year Ago	Production	Pork	Year Ago
2010						
Year	110256	-3.0	203	-0.0	22346	-2.8
2011						
Year	109849	-0.4	204	0.4	22376	0.1

Year	Per Capita	% Chg. from	Prices	% Chg. from
Quarter	Consumption	Year Ago	National Wtd Avg Base	Year Ago
2010				
Year	47.0	-6.1	71-73	26.3
2011				
Year	46.0	-2.1	71-77	2.8

Beyond Today's
Ps & Qs

Industry pressures shaping today & tomorrow's markets:

- "Fair market" regulation adjustments/discussions

 - Does differentiation of niche products = stigmatizing of conventional products???
 - E.g. what impact does promotion of "humanely raised" pork have on "commodity pork?"

 - Perceived safety issues span beyond FSIS recalls
 - traceability and identification (in)ability sends signals
 - calls for antibiotic bans, etc. will likely continue...
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Industry pressures shaping today & tomorrow's markets:

- Animal well-being/welfare
 - "social pressures" are here to stay ...

 - 1999(1)-2008(4) pork media index increased by 181% = 2.65% pork demand reduction...

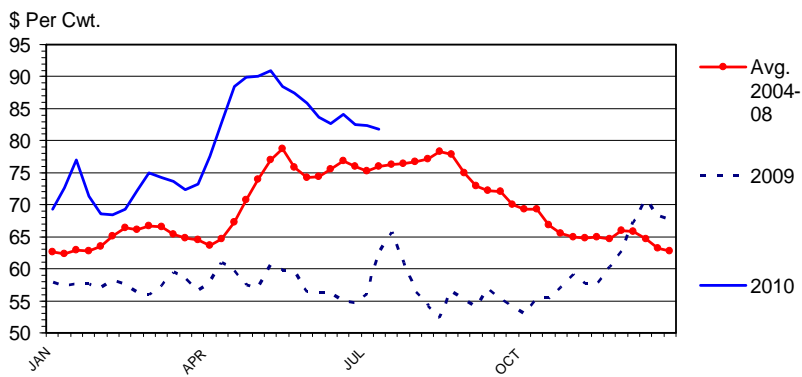
 - national call to "level the field" coming???

 - Much more work on economic welfare impacts needed; distinction between "supporting voters" and "meat buyers"...
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More information available at:
AgManager (<http://www.agmanager.info/>)

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HOG CUTOFF VALUE Weekly

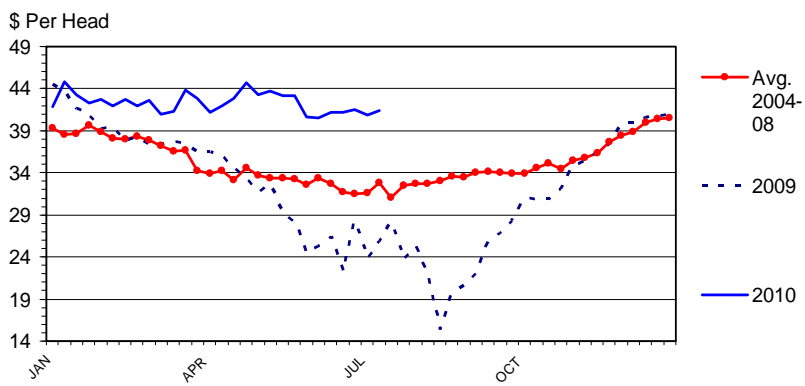


Data Source: USDA-AMS, Compiled by LMIC

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EARLY WEANED PIG PRICES

National, 10 Lbs, Delivered, Weekly

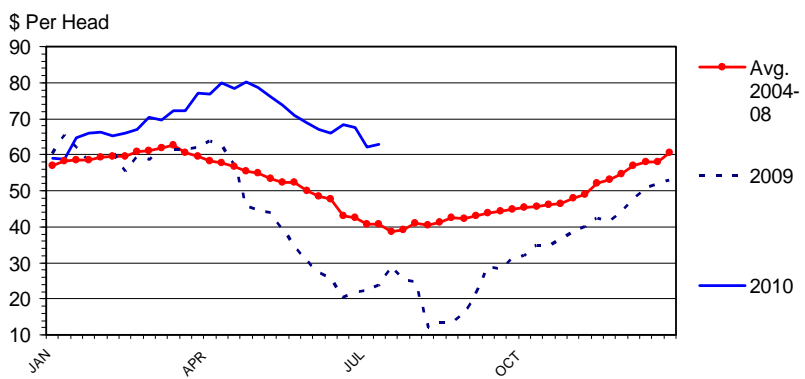


Data Source: USDA-AMS, Compiled by LMIC

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FEEDER PIG PRICES

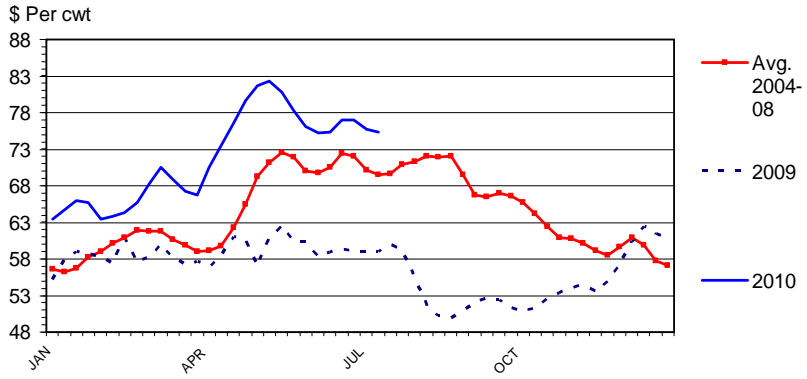
40 Pounds, Weekly



Data Source: USDA-AMS, Compiled by LMIC

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07/19/10

BASE SLAUGHTER HOG PRICES
National, Weighted Average Carcass Price, Weekly



Data Source: USDA-AMS, Compiled & Analysis by LMIC

H-P-23
07/19/10