

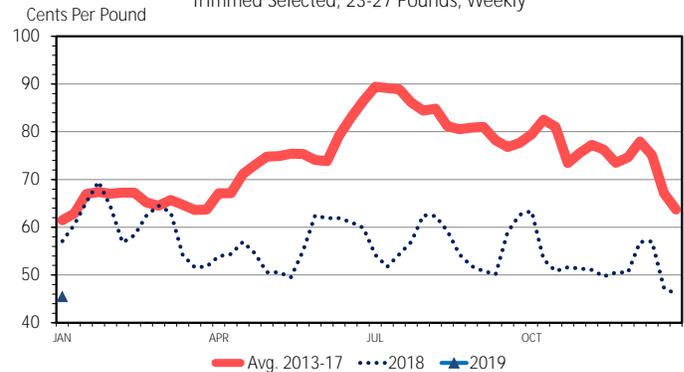
Wholesale ham prices started out the year at 45 cents per pound, basis 23-27# Trimmed Selected Hams quoted by USDA-Agriculture Marketing Service (AMS). This is the lowest ham price, per the first week of the year, since 2009. The last time ham prices were this low was early October 2016. Seasonally, ham prices usually move higher as January progresses, followed by some weakness. Yesterday, 23-27# Trimmed Selected Hams traded at an average prices of 46 cents per pound.

Annually, pork production increased by 10% from 2013 through 2017 with 2014 being the only year of decline due to Porcine Epidemic Diarrhea (PED). Ham production would be up by a similar amount based on stable yields of ham as a component of the hog carcass. Pork production data for the first eleven months of 2018 is up 3% from the same interval in 2017. The supply of hams available to the domestic market was only up 1.2% during the January-November interval. Exports and imports of hams into international trade have moderated the availability of hams in the domestic market. Data for the first ten months of 2018 show ham exports up 9.5% from a year earlier and imports down 18%.

Ham prices last week were 21% lower than a year ago. Double-digit percentage declines in ham prices have been standard since May of last year. The biggest decline (in percentage terms) was in July with a 28% decline. Generally speaking, the declines in ham prices have been supportive of rising exports and expanded domestic use. Ham prices in 2016 and 2017 averaged 64-65 cents per pound for an annual average. This value allowed ham consumption to increase by 1% per year, or stay steady on a per capita basis. Ham domestic disappearance in 2018 (through October) was on pace to increase by another one percent, but prices averaged 56 cents (for the entire year, 57 cents for January-October), which is an unusually large price

WHOLESALE HAM PRICES

Trimmed Selected, 23-27 Pounds, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

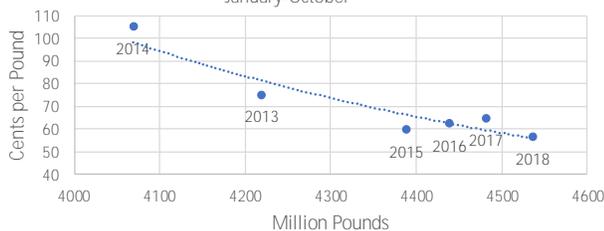
MAP-27
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decline for the sake of only a small gain in consumption relative to the norm of prior years.

The graph below shows annual exports of hams on an annual basis for the first ten months of each year, since data for November and December of 2018 is not available yet. Exports were only slightly higher in 2015 and 2016, but the last two years have witnessed double-digit percentage growth. The biggest year-over-year increase in monthly exports during 2018 came in April (probably in anticipation of trade sanctions by Mexico), up 54% from the prior April. Since that time, exports have been up 6%.

Ham Prices Vs. Domestic Use

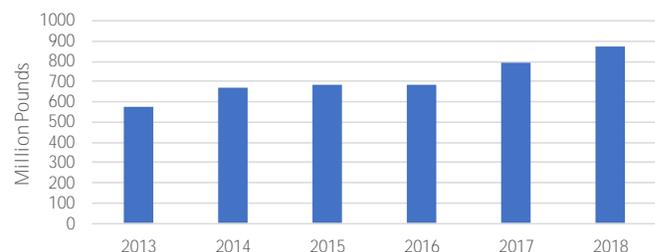
23-27# Trimmed Selected
January-October



Data Source: USDA-NASS and AMS
Prepared by Livestock Marketing Information Center

Ham Exports

January - October



Data Source: USDA-Foreign Ag Service
Prepared by Livestock Marketing Information Center



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