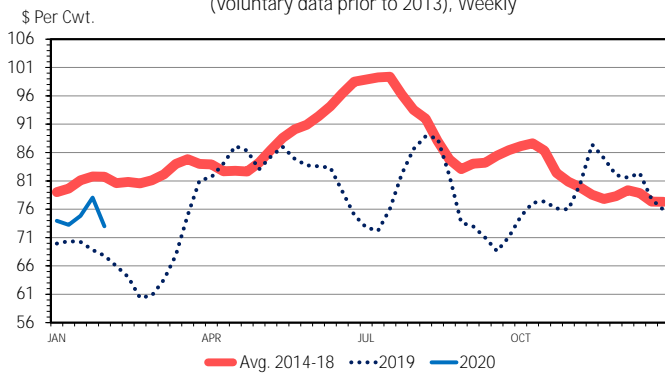


At the start of 2020 the hog cutout value was \$73.96 per cwt and by the end of the month it had risen 5.5% to \$78.05 per cwt. Just one week later the gain was erased when hog cutout value dropped 6.5% to \$73.00, lower than the starting value for the year. The sudden decline can largely be attributed to the growing concerns surrounding the spread of Coronavirus likely impacting meat demand in Asian markets. Despite the drop in hog cutout value, last week was still 7.6% above the prior year.

pounds) have started below last year's levels, but in recent weeks have gained ground. Prices started at \$95.56 cents per pound and have since climbed to \$121.01, but the most recent week is still 21.2% below the same week last year.

The spread of Coronavirus is a very fluid situation which is causing volatility in markets and the hog cutout value is just one example. At this point it is hard to determine the spread of the virus and its impact on global pork demand and prices. The coming weeks will provide more insights to future market implications and the pork cutout is one to watch.

PORK CUTOUT VALUE
(Voluntary data prior to 2013), Weekly

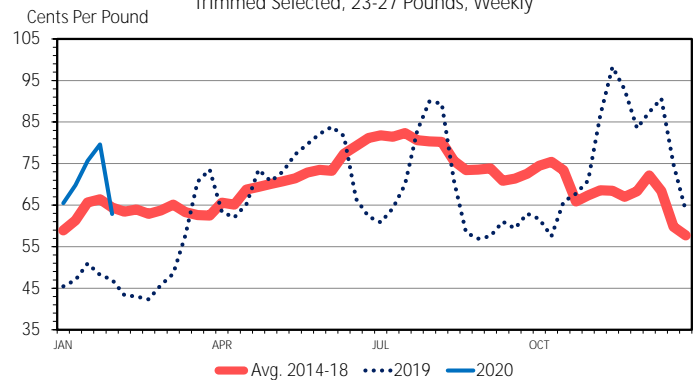


Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

HP-10
01/27/20

The hog cutout value is being supported by hams, spareribs, trimmings and loins. Ham prices (trimmed selected, 23-27 pounds) were holding strong at \$79.61 cents per pound at the end of January, but last week the price dropped to \$62.87 (21.0% drop). Although, the ham price is still nearly 30% above the same point last year. Pork trimmings (fresh, 72% lean) have followed a similar pattern to ham with the price starting the year at \$60.75 cents per pound and peaking at \$75.50 (up 24.3%) by the end of January, then taking a dive down to \$64.25, a 14.9% decline in one week. Currently, trimming prices are still higher than last year's levels. Spareribs (trimmed, light poly) started the year at \$160.86 cents per pound and have since climbed to \$172.23 (up 7.1%), with the most recent week 16.4% above last year. Sparerib prices didn't see the drop last week like ham and trimming prices. Loin prices (1/4 trimmed, vacuum sealed) have started the year out steady with last week at \$86.91 cents per pound, up 7.9% from the prior year. Belly prices (skin-on, 12-14

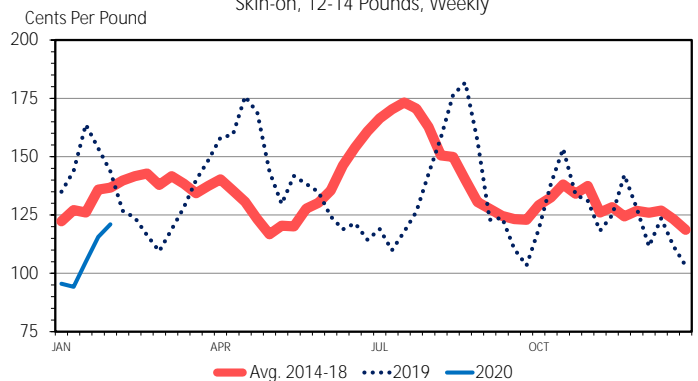
WHOLESALE HAM PRICES
Trimmed Selected, 23-27 Pounds, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

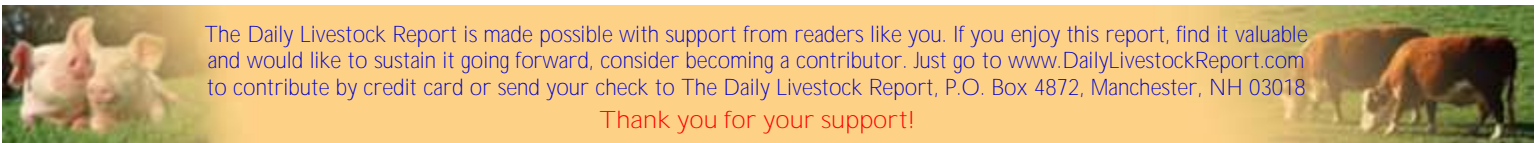
M-P-27
01/31/20

WHOLESALE PORK BELLY PRICES
Skin-on, 12-14 Pounds, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

M-P-29
01/31/20



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