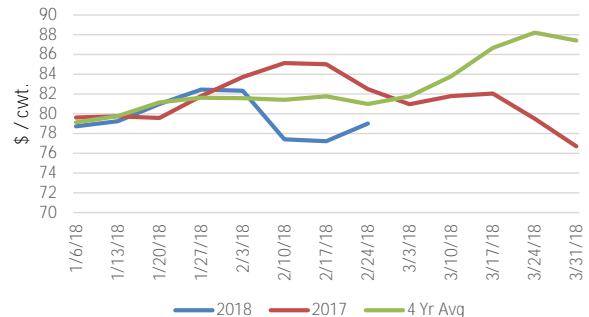


The Pork Cutout has mirrored the trends in the stock market during February. Causality is probably not the same (hopefully) between the two markets. Perish the thought of the pork belly market playing a role in the value of 401K and pension funds for the public.

Pork production for the quarter-to-date is on target with expectations, up 2-3% from the first quarter of 2017, which should provide stability to pork values. Pork production in the last week was up 5% from year earlier, the biggest weekly increase for the quarter, but this increase was tied to a dip in production a year earlier.

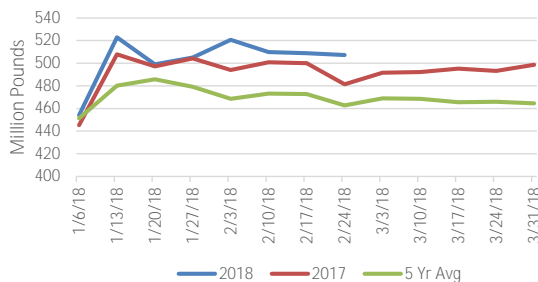
The Pork Cutout showed its initial signs of struggling during the first week in February. Wholesale ham and pork trimmings values

Pork Cutout Value



Data Source: USDA-AMS Livestock Marketing Information Center

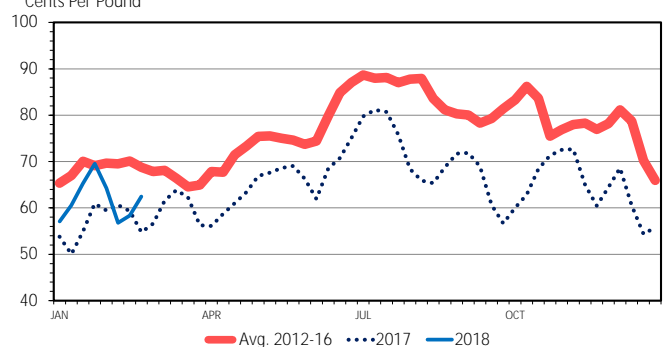
Pork Production
Federal Inspected



Data Source: USDA-AMS Livestock Marketing Information Center

WHOLESALE HAM PRICES

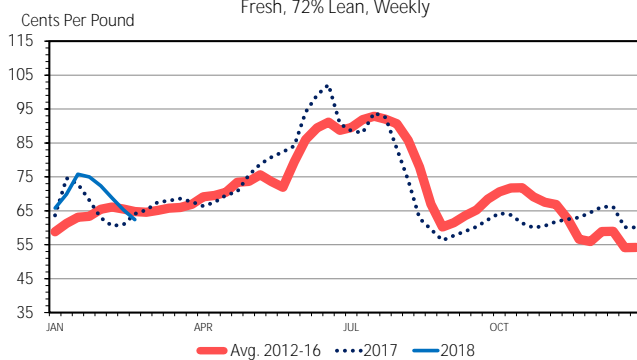
Trimmed Selected, 23-27 Pounds, Weekly



Data Source: USDA-AMS Livestock Marketing Information Center

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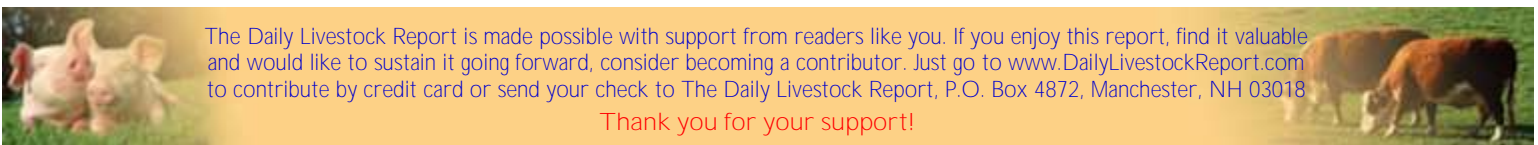
WHOLESALE PORK TRIMMING PRICES
Fresh, 72% Lean, Weekly



Data Source: USDA-AMS Livestock Marketing Information Center

M-P-30 02/28/18

were under pressure, and to a lesser extent pork belly prices. Given the run-up in pork belly prices in prior weeks, that dip was not too surprising. Ham prices have also caught some strength in recent weeks suggesting some awareness of longer-term fundamental value. The trimmings market, on the other hand, still seems to be searching for a low enough price that encourages buying interest. This could be a harbinger of challenges in the export market or driven by more competition from beef trimmings coming from the big increase in cow slaughter so far this year. Reported trade volumes of frozen 72% lean pork trimmings last week were the largest since the first week in 2016.



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