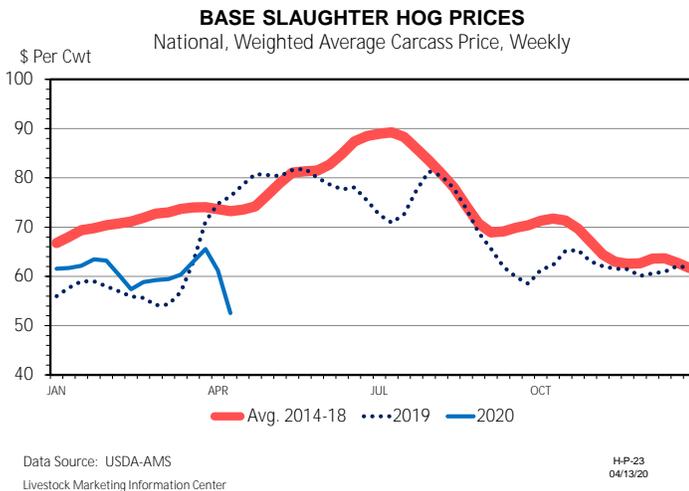


The national weighted average base slaughter hog carcass price has been experiencing sharp downward pressure over the last two weeks declining 19.8% from \$65.55 to \$52.55 per cwt. Prices are expected to remain under pressure in the short term as demand is constrained and consumers remain quarantined at home. The last time hog prices were this low was early September 2018 when prices dipped to about \$50 per cwt.

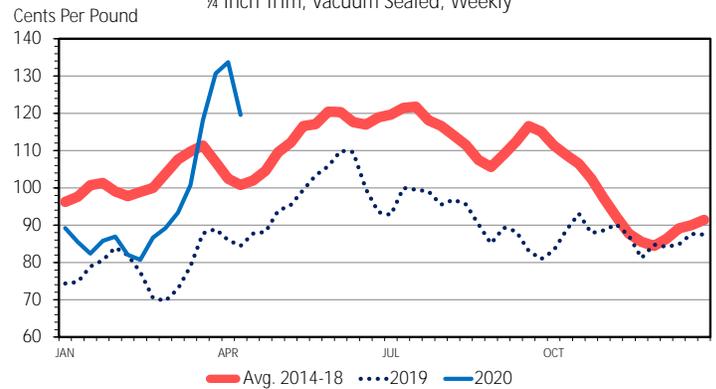


The pork cutout value has experienced an even sharper decline from \$79.20 just two weeks ago down to \$53.55 (32.4% decrease) a value that has not been seen in over a decade dating back to October 2009 (\$53.06 per cwt). A decline in value has occurred for most pork primal values with the tenderloin being the exception. Pork loin prices have increased by 38.1% to \$90.30 per cwt in just eight weeks, an indication of consumers purchasing meat for home consumption. Conversely, a sharp drop in value in just two weeks has occurred for the Butt (down 56.7%), Picnic (down 52.6%), and Rib (down 42.8%). A similar magnitude of decline has occurred in the price for both the Ham and Belly but over a few more weeks. Ham prices dropped 44.0% to \$35.05 per cwt in five weeks while Belly prices declined 69.0% to \$34.54 per cwt over ten weeks. The drop in primal values coincides with the spread of COVID-19 and the implementation of physical distancing measures severely limiting meat consumption away from home.

Two more plants, both pork products facilities, have been added to a growing list of plant closures related to employees testing positive for COVID-19. During the weeks of March 21 and 28 weekly hog slaughter was 11.8% and 9.9% above year-ago levels at 2.80 and 2.78 million

### WHOLESALE PORK LOIN PRICES

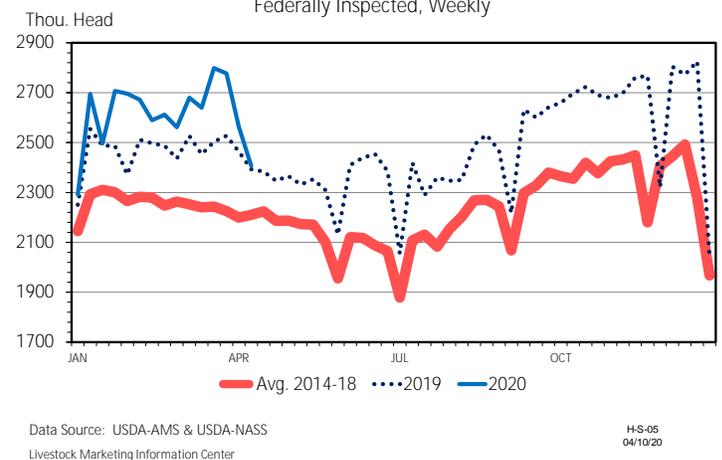
¼ Inch Trim, Vacuum Sealed, Weekly



head, respectively. These large weekly slaughters helped fill a surge in consumer purchases at retail stores and likely provided a buffer before the recent plant closures. The first two weeks of April saw weekly slaughter at 2.57 and 2.40 million head, respectively, a 14.0% drop in two weeks. The temporary closure of hog processing facilities is impacting slaughter capacity causing regionalized impacts. This likely allows for the industry to adjust hog shipments for processing thus mitigating disruptions to the supply chain, for now. Monitoring these plant closures and the ability to keep up with the large hog supplies is key to the next several weeks to hog prices. Additional closures, or even closures in certain regions could potentially have larger rippling effects.

### HOG SLAUGHTER

Federally Inspected, Weekly



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