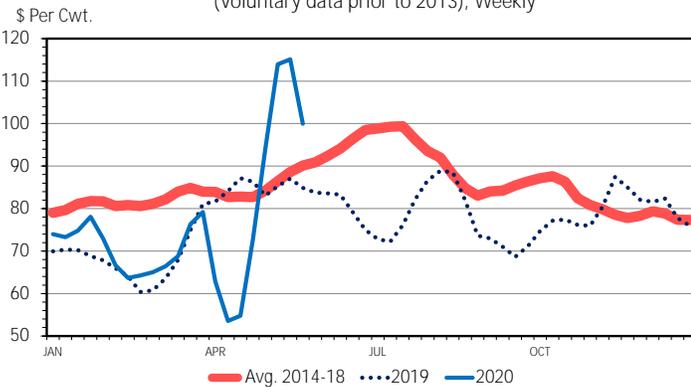


The pork cutout value has been experiencing extreme volatility since the initial onset of COVID-19 in the U.S. For the purpose of this DLR the cutout values referenced are the simple weekly average of the national daily pork cutout released by [USDA AMS](#). Consumer panic buying leading up to the quarantine measures being issued did boost the weekly pork cutout average to \$79.20 per cwt the week of March 27, the highest value for 2020 pre-COVID-19. In the following weeks, once COVID-19 started to affect slaughter capacity, the pork cutout became more volatile with larger swings in the value. Since the high in late March the pork cutout value dropped to its lowest weekly average for 2020 at \$53.55 per cwt the week of April 10 then just over a month later reached its highest value for the year at \$115.12 per cwt the week of May 15, a \$61.57 per cwt (up 115.0%) swing in five weeks.

Similar volatility seen in the pork cutout value has occurred in most of the primal cuts with the ham being the exception. Primal values are weekly averages reported by [USDA AMS](#). The ham price (trimmed selected, 23-27 lbs.) bottomed at \$31.52 per cwt in mid-April, the lowest price since September 2002. In early May the ham price gained some traction before slipping in recent weeks to the mid-\$30 per cwt range. Notably, loin (1/4 inch trim, vacuum sealed) and rib (trimmed, light poly) prices have surged in recent weeks with the loin peaking over the \$210 per cwt range and ribs approaching \$240 per cwt, record levels for both cuts. The rise in loin and rib prices is likely a combination of lower available supplies pushing up prices, consumers familiarity with the cuts, the lead up to Memorial Day and the summer grilling season.

PORK CUTOUT VALUE

(Voluntary data prior to 2013), Weekly



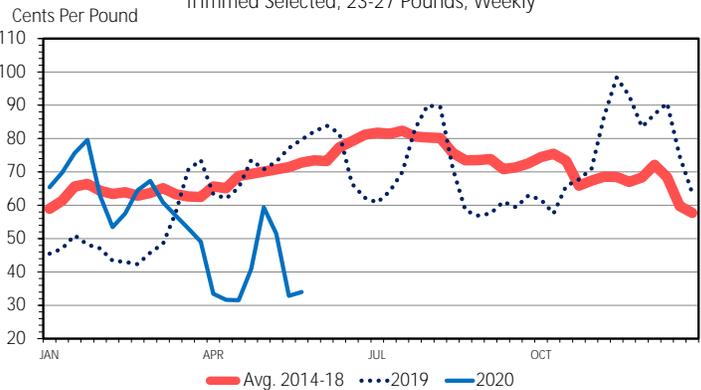
Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

HP-10
05/26/20

Looking at the same swings in the pork cutout value from a week-over-week percentage change perspective reveals that since the last week of March the value has seen its top three negative changes but also the top three positive changes for the series dating back to January 1998. Keep in mind this has all happened over the last two months. Following the peak weekly average of \$79.20 per cwt in late March, the value dropped 20.6% and 14.8% the next two weeks to \$62.88 and \$53.55 per cwt, respectively, ranking as the number one and two largest negative week-over-week percentage changes for the series. The third largest negative weekly percentage change occurred last week when the value slipped 13.2% to \$99.94 per cwt. Positive changes in the pork cutout occurred over three consecutive weeks following the two lowest weeks for the value. The week of April 24 the pork cutout jumped 32.6% to \$72.69 per cwt which was followed by further increases the next two weeks to \$94.05 (up 29.4%) and \$113.94 (up 21.1%) per cwt.

WHOLESALE HAM PRICES

Trimmed Selected, 23-27 Pounds, Weekly

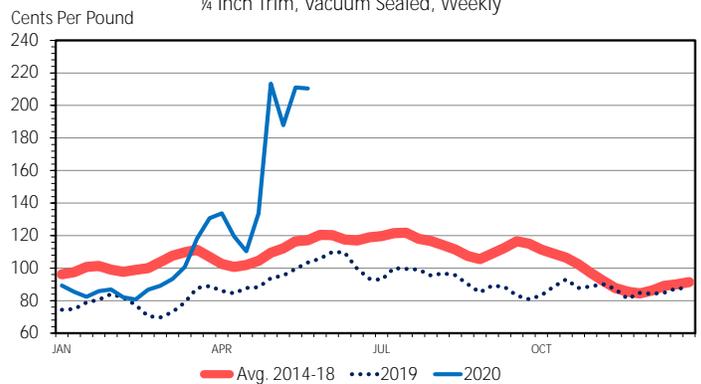


Data Source: USDA-AMS
Livestock Marketing Information Center

M-P-27
05/22/20

WHOLESALE PORK LOIN PRICES

¼ Inch Trim, Vacuum Sealed, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

M-P-28
05/22/20



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