Pork Merchandiser's **Profit Maximizer**

- Foodservice Edition

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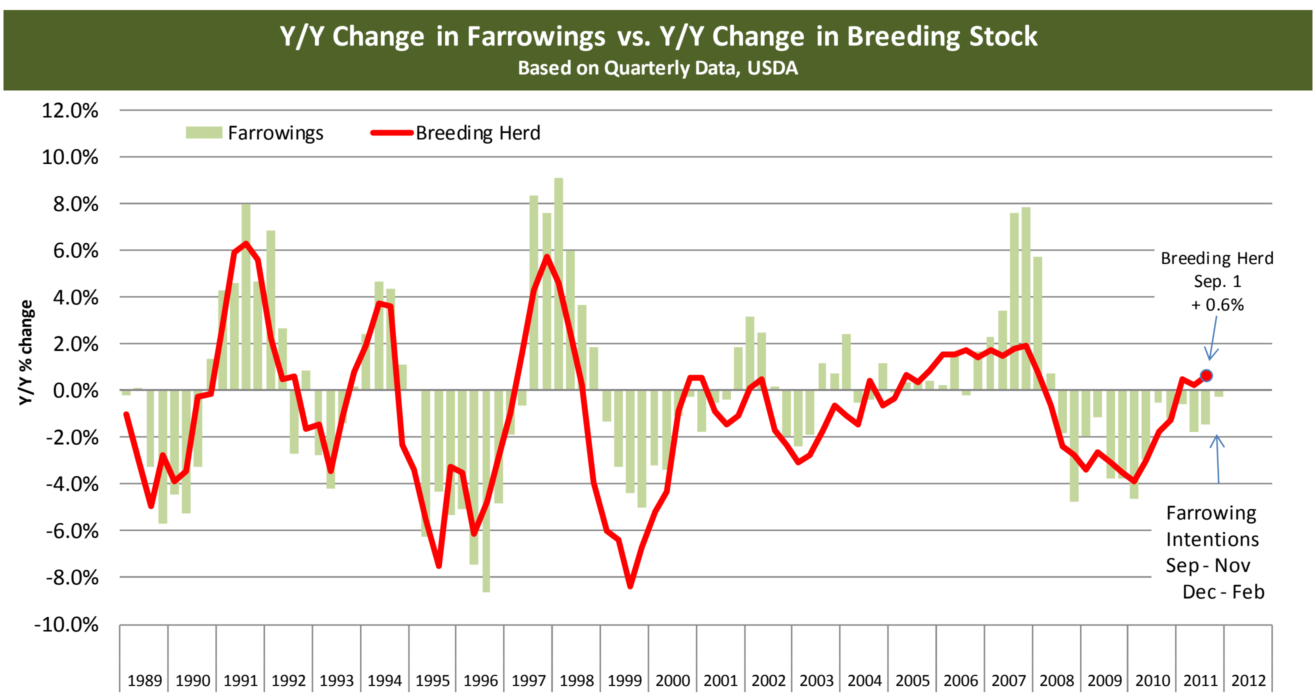
October 10, 2011

NEWS THIS WEEK!

1. Hogs and Pigs Report: Tentative Growth Despite Record Livestock Prices

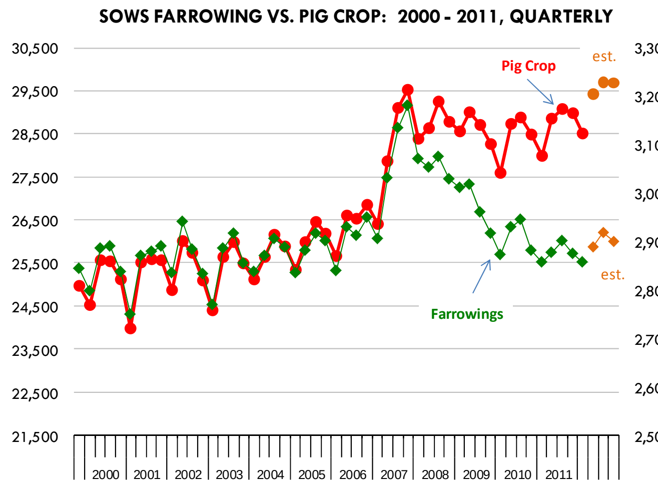
Some of the highlights from the latest hogs and pigs report may be old news at this point but we think the report bears reviewing given the implications it has for pork supplies through much of 2012. Coming into the report there was plenty of speculation as to the response of hog producers to sharply higher feed costs and record high hog prices during the Jun - Aug period. In the battle between greed and fear, it is often hard to say who will win until well after the fact. But before we get to the outlook, let's review the headline numbers:



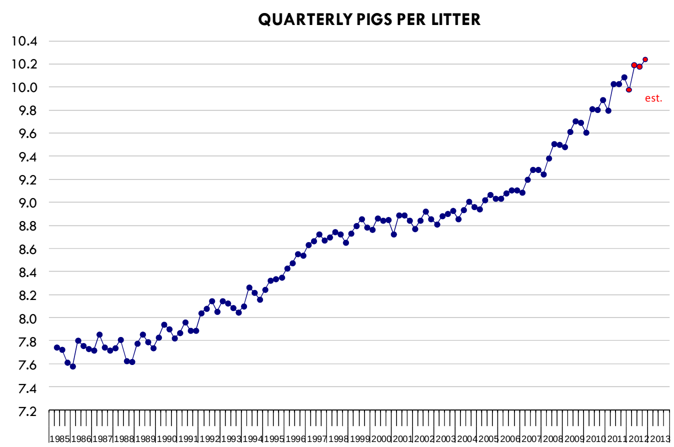
- The total inventory of hogs and pigs as of September 1 was reported at 66.599 million head, 1% higher than a year ago. The number were modestly higher than pre-report estimates which were looking for a 0.5% increase in overall inventories. The market reaction after the release of the report was a quick decline but then prices surged higher on reports of very strong cash sales and generally strong export demand (China).
The expectation among analysts coming into the report was that the sow herd would decline modestly compared to the previous quarter and be at about the same level as a year ago. USDA however showed that the increase in sow slaughter during Jun - Aug was offset by more sows added to the herd and the overall inventory was pegged at 5.806 million head, about the same as on June 1 and 0.6% higher than the same period a year ago. The increase in the sow herd implies higher farrowings for the upcoming quarters and modest production increases in 2012. The inventory of market hogs was 60.793 million hogs, 1% higher than a year ago. Inventories of heavy hogs (180 pounds or more) were up 3.4% from a year ago and somewhat consistent with hog slaughter in September. For the latest reported week (October 8) hog slaughter was up 4.4% from the prior year and this number does not fit very well with the report showing inventories of 120—179 hogs being up only 0.7% from a year ago. Taken at face value, the report shows that Q4 supplies are expected to be only slightly higher than a year ago. Given the latest slaughter data, either the report has seriously undercounted the number of hogs on the ground, or producers are pulling hogs forward due to very high hog prices for this time of year. We tend to favor the second view and think supplies later in Q4 will be about even compared to last year.

The chart on page 1 shows the relationship between the change in sow inventories and the change in farrowings. The chart also illustrates the cyclical nature in the hog business. It appears that at this time producers should be on the upward slope and high hog prices should bring more supplies to market. The latest report showed that any growth has been very tentative

Pig Crop Holds Even As Farrowings Decline



Thanks Largely to Surging Pigs Per Litter



and the increase in the breeding herd tracks well below other cycles. We have noted in the past that even with the increase in sow numbers, however modest that is, farrowings have been lower than the previous year. That cannot continue forever and it is likely we will see higher farrowings by Q1 of 2012. This combination of higher farrowings and higher pigs per litter makes us think that supplies in Q2 and Q3 of next year will likely rise between 1.8—2.2% from the comparable period a year ago. This is modest enough to keep prices at historically high levels although probably below the record price levels established in the summer of 2011. Much will depend on export demand, particularly if we see additional fireworks in the EU. At this time, the US dollar has gained some ground but the increase has been very muted compared to what happened in 2009. While we do not expect a new financial crisis on a global scale, the risks of that happening have increased several fold compared to where we were earlier in the year. In our mind, that is one of the most significant downside risks in the market. Lower feed prices and still high out front hog values also should be seen as encouraging producers with strong balance sheets to expand later this year with higher slaughter rates expected in the second half of 2012 and in 2013.

Upcoming holidays:

2011 Columbus Day (Monday October 10; Canadian Thanksgiving Day (Monday October 10); Daylight Savings Time Ends [US and Canada] (Sunday November 6); Veterans Day (Friday November 11); Remembrance Day [Canada] (Friday November 11); Thanksgiving (Thursday November 24); Hanukkah (Wednesday December 21; Christmas Day (Sunday December 25); Boxing Day [Canada] (Monday December 26).

2012 New Year's Day (Sunday January 1); Martin Luther King Day (Monday January 16); Chinese New Year (Thursday January 23); Super Bowl XLVI Sunday (Sunday February 5, in Indianapolis, IN); Valentine's Day (Tuesday February 14); President's Day (Monday February 20); Ash Wednesday (Wednesday February 22); Daylight Savings Time Begins in US (Sunday March 11); St. Patrick's Day (Saturday March 17); Passover (Saturday April 7); Easter (Sunday April 8); Cinco de Mayo (Saturday May 5); Mother's Day (Sunday May 13); Victoria Day [Canada] (Monday May 21); Memorial Day (Monday May 28); Father's Day [US and Canada] (Sunday June 17); Canada Day [Canada] (Sunday July 1); Independence Day (Wednesday July 4); Labor Day [US and Canada] (Monday September 3); Rosh Hashanah (Monday September 17); Yom Kippur (Wednesday October 26); Columbus Day (Monday October 8; Canadian Thanksgiving Day (Monday October 8); Daylight Savings Time Ends [US and Canada] (Sunday November 4); Veterans Day (Sunday November 11); Remembrance Day [Canada] (Sunday November 11); Thanksgiving (Thursday November 22); Hanukkah (Sunday December 9; Christmas Day (Tuesday December 25); Boxing Day [Canada] (Wednesday December 26).

PORK

NOTE: WE ARE NOW REPORTING AND FORECASTING WEIGHTED AVERGAGE BLUE SHEET PRICES FOR PORK CUTS.

Live hog. For the week ending October 8 hog slaughter was 2.340 million head, up about 4.42% from the same week a year ago. Slaughter for the last two reported weeks was up 4.53% vs. a year ago.

Iowa/Minnesota, Base Lean Market Hog 185 lbs. Carcass Values. Lean hog carcass values at $93.20/cwt. on Friday were up $4.75 since Wed. Sept. 28. Prices are now about $18.02/cwt. over year ago values. Prices are likely to be lower by late October and November. The big story is China orders in the market. The big question is how long will China continue to be in the market.

21/dn Pork Loins "**Total on FOB Basis**" (page 8). Prices finished last week at $1.3500 for the "Total on FOB Basis" quote, up about 6 cents since the Wed. Sept. 28 quote and about 21 cents over than year ago levels. Price should be near to a little above current levels for the remainder of October.

Bnls. Strap on Pork Loins. Prices finished the week at $1.9820 for the strap on loins, almost unchanged since Wed. Sept. 28 but up about 38 cents from the year ago levels. Strap off loins at $2.1600 are up about 3 cents since Wed. Sept. 28 and up about 52 cents compared to the year ago quote.

Boneless sirloins at $1.2750 are down about 2 cents from the Wed. Sept. 28 quote but up about 7 cents from the year ago price. Expect prices to be modestly higher in late October and November.

Pork tenderloin finished last week at $2.7500 down about 30 cents since the Wed. Sept. 28 quote but up about 29 cents from the year ago price.

5/10 Pork Butts "Total on FOB Basis" (page 10), prices finished the week at $1.1206 up less than one cent since Wed. Sept. 28 and up about 22 cents from the year ago levels.

4.25/dn Spare Ribs "Total on FOB Basis" (page 8). Prices finished the week at $1.4280 up less than one cent since Wed. Sept. 28 and up about 17 cents from year ago levels.

Rib inventories on August 31 were 37.0 million pounds, up 11 percent from a year ago.

Hams "Total on FOB Basis".

The Total on FOB Basis for 17/20 hams (page 9) price was 96.00 cents up 3 cents since Wed. Sept. 28 and up about 3 cents from a year ago.

20/23 hams finished the week at 96.00 cents for the Total on FOB Basis up about 3 cents since Wed. Sept. 28 and up about 3 cents from the year ago level.

23/27 hams finished the week at 90 cents for the Total on FOB Basis almost unchanged from the Wed. Sept. 28 quote but up about 5 cents from the year ago level.

Total ham cold storage stocks on August 31 at 148.8 million pounds were up about 5 percent from year ago levels.

Bellies "Total on FOB Basis". 14/16 bellies (page 9) finished Friday at 122.00 cents, up about 7 cents since the Wed. Sept. 28 quote and up about 25 cents from the year ago quote.

Cold storage stocks on August 31 were 15.1 million pounds, up about 110 percent from year ago levels.

The normal seasonal decline in belly prices from September to October appear to us have come a month early. We think the seasonal fall low prices are now behind us at this time.

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42 CL Pork Trim "FOB Basis". Prices finished the week at 72.50 cents down about 2 cents since Wed. Sept. 28 but up about 21 cents from the year ago price.

72 CL Pork Trim "FOB Basis". Prices finished the week at 96 cents down about 12 cents since the Wed. Sept. 28 quote but up about 7 cents from the year ago level.

Freezer stocks of all trimmings on August 31 were 33.1 million pounds, up 19% from the year ago levels.

72 CL Picnic Meat "FOB Basis" (page 10). Picnics prices at $1.0667 are down about 5 cents from Wed. Sept. 28 but up about 17 cents from the year ago price.

POULTRY

Georgia Dock Broilers. The Georgia dock price on Wednesday October 5 at 89.00 cents was up about 2 cents from a year ago. The composite market average price was down about 8.29 cents from the year ago levels at 72.30 on Monday October 3.

Broiler slaughter for the week ending October 8 was estimated at 153.91 million, down about 7.27% from a year ago. For the last two weeks slaughter was down 6.98% vs. a year ago.

Breasts. Prices on boneless skinless breasts finished the week at $1.2392 up about 2 cents since the Wed. Sept. 28 quote but down about 10 cents from the year ago levels.

The broiler industry is cutting production to match today's poor demand if you look at the egg sets.

Leg Quarters. The value of this item and the timing of price moves are completely dependent on the timing of export purchases and export business, which seems to be very good at this time. Leg quarter prices are now trading about 14 cents over year ago prices at 53.93.

Wings. Prices at $1.1623 are down about 18 cents from year ago levels. The cure for low prices is low prices. We think the next move on wings should be to higher prices.

Turkeys

Hens finished last week at $1.1400 up one cent since Wed. Sept. 28 and about 8 cents over the year ago price.

Toms finished last week at $1.1400 up one cent since Wed. Sept. 28 but about 8 cents over the year ago price.

Total turkey supplies in the freezer on August 31 were up 4 percent from a year ago at 523.7 million pounds. Whole birds were down 3 percent from year ago with that inventory at 290.1 million pounds.

Turkey slaughter was 4.667 million head for the week ending October 1, up 3.32% from a year ago. For the last two reported weeks slaughter was 0.76% below a year ago.

Boneless Turkey Breast Meat. Boneless skinless turkey breast meat prices finished last week at $2.67, unchanged since Wed. Sept. 28. Prices are down about 2 cents vs. year ago prices.

BEEF

NOTE: WE ARE NOW REPORTING AND FORECASTING WEIGHTED AVERAGE BLUE SHEET PRICES FOR BEEF CUTS.

Choice 112A Heavy Bnls. Lip On Rib Eyes at $6.4648 (weighted average quote) finished last week up about 23 cents since the Wed. Sept. 28 quote and up about $1.02 vs. the year ago price. **Select 112A Heavy Lip On Rib Eyes** prices finished last week at $4.4963 (weighted average quote) down about 14 cents since Wed. Sept. 28 and down about 46 cents from the year ago price.

The current spread between Choice and Select heavy ribs shows the Choice Rib Eyes are trading at a premium to the Select by $1.9685 per pound. The 2010 annual average spread (wt. average price) was the Choice at a premium to the Select by $0.5461 per pound and the previous five years (2006 thru 2010) average spread was Choice at a premium to the Select by $0.5833 cents per pound.

Select prices are low compared to their normal relationship to cattle prices and relative to the Choice grade products. Expect ribs to seasonal move to higher levels for the end of the year holiday season as we move through October, November and early December.

Choice regular #168 insides finished last week quoted at $2.1045 up about 9 cents since Wed. Sept. 28 and up about 41 cents from the year ago price. **Choice ¼ inch trimmed #168 insides** finished last week quoted at $2.1664 up about 8 cents since Wed. Sept. 28 and up about 37 cents from year ago levels.

Choice #170 Gooseneck Rounds finished last week at $2.1098 down less than one cent since Wed. Sept. 28 but up about 38 cents from the year ago levels.

Choice #180 (0x1) Bnls. Strip Loins finished last week quoted at $4.3421 (wt. avg.) down about 14 cents from the Wed. Sept. 28 quote. Prices are about 14 cents over year ago levels.

Choice #184 Regular Heavy top butts finished at $2.5218 (wt. avg.) down about 22 cents since Wed. Sept. 28 but up about 8 cents from year ago levels. **Choice #184 ¼ inch trimmed Top Butts** finished at $2.3946 (wt. avg.) down about 34 cents since Wed. Sept. 28 and down about 12 cents from the year ago levels.

Choice #185A Flap Meat prices finished Friday at $3.1389 (wt. avg.) down about 9 cents since Wed. Sept. 28 but up about 35 cents/lb. from year ago values.

COARSE GROUND BEEF - 73CL Coarse Ground product finished last week at $1.4518 down about 5 cents since Wed. Sept. 28 but up about 32 cents from year ago levels. Current prices are $0.1150 per pound over the price of a 73CL meat block formulated from 90CL and 50CL trim. A year ago the margin was $0.0402 per pound and the five years average for October is a positive $0.0738 per pound over. **81CL Coarse Ground** product finished last week at $1.6569 almost unchanged since Wed. Sept. 28 but up about 38 cents from the year ago quote. Currently 81CL Coarse Ground is trading for $0.0974 per pound over a meat block made up of 90CL and 50CL trim. A year ago the spread was $0.0500 and the five year average spread for September is a margin of $0.0605.

MANUFACTURING BEEF AND TRIM - Domestic cow meat supplies are now above year ago levels. **Cow slaughter for the week ending September 24, 2011 was the highest weekly cow slaughter number since December 1997**. The drought conditions in the Texas area continue to be bad. For the last four reported weeks the **total cow slaughter** (the last week being the week ending September 24) was 10.31% above a year ago. With lower corn prices there is a chance that cattlemen will start to see a reason to stop the liquidation, if they can find feed in their area. At some point the cows killed because of the drought will end. And when that happens, prices will bounce. When? We basically think that most of the fall cows are or already have come to market, but so far we have been wrong on the timing.

Imported beef supplies from Australia are limited even though they have increasing a bit after being down very sharply due to weather issues in Australia and better demand for Australian product from non-USA countries. New Zealand's heavy slaughter season is over until late October/November. Uruguay continues to find better markets for its beef and is shipping insignificant amounts to the USA.

The currency market has changed significantly in recent weeks. The Australian dollar finished last week at US$0.9700/Australian dollar. Eventually this may increase the flow of beef into the USA from Australia and New Zealand.

90CL Bnls. Beef prices finished the week at $1.6570 (wt. avg.) down about 6 cents since Wed. Sept. 28 but about 20 cents over the year ago price quote. Farmers liquidated their beef and dairy cows in 2010, which caused up to expect that the liquidation will stop during the second half of 2011, provided the drought conditions stop expanding. The continuation of expanding draught conditions has made us wrong, so far. We think the cows for slaughter will slow up before the end of 2011. Eventually fewer cows in the kill will mean higher prices. The trick is putting a date on the word 'eventually".

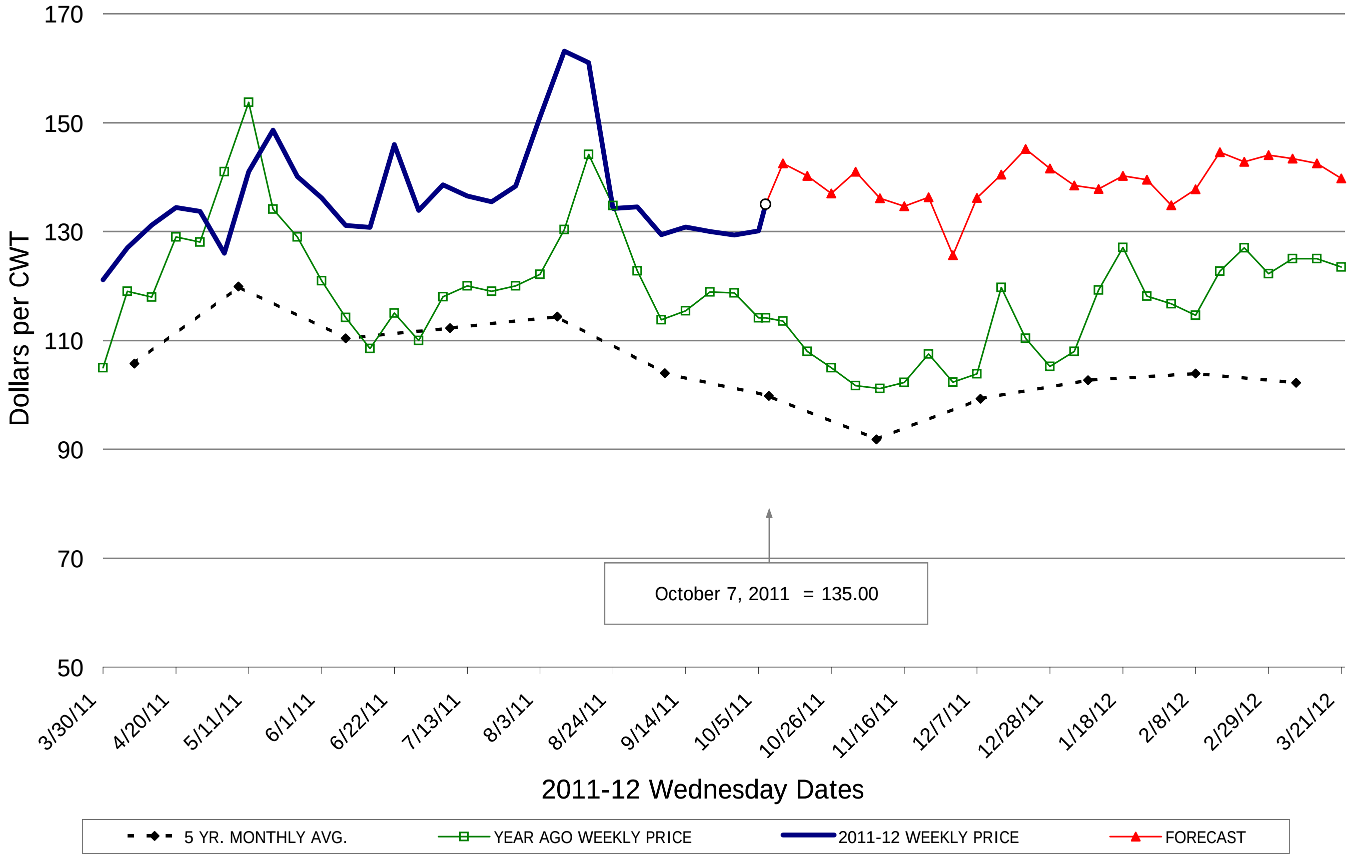
50 CL Beef Trim prices finished last week at $0.9035 on Friday up about one cent per lb. (wt. avg.) since Wed. Sept. 28 and about 32 cents over the year ago level. Expect prices to be near current levels in late October and early November.

Food Service Summary Table - WT. AVE

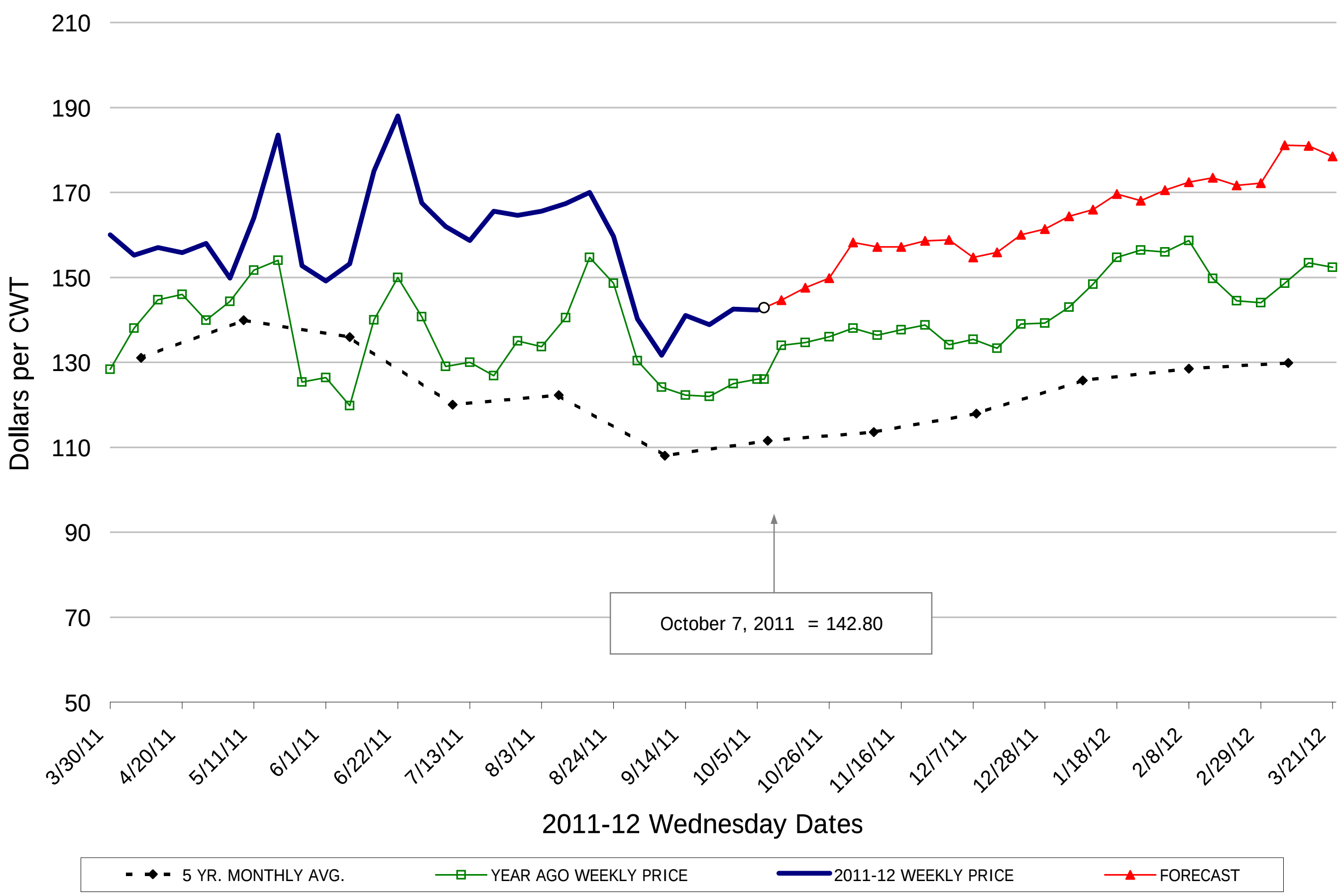
	2011 History								2011 FORECAST						
	Apr	May	Jun	Jul	Aug	Sep	9/28/2011	10/7/2011	10/19/2011	Oct	Nov	Dec	Jan	Feb	Mar
PORK															
TRIM LOIN, 1/4" Trim 21#DN-LGT, TTL on FOB Basis, USDA	1.32	1.39	1.36	1.37	1.49	1.30	1.29	1.35	1.40	1.40	1.37	1.38	1.39	1.40	1.42
TRIM LOIN, 1/8" TRM/less 21#DN-LGT, TTL on FOB Basis, USD/	1.44	1.54	1.54	1.55	1.64	1.46	1.45	1.43	1.50	1.49	1.50	1.54	1.57	1.58	1.60
LOINS, CNTRCUT, BNLS STRAP-OFF 5-11#, USDA	1.88	1.84	1.84	1.98	2.12	1.98	2.13	2.16	2.19	2.20	2.08	2.12	2.12	2.09	2.13
PORK TENDERLOIN 1.25/DN#,	2.70	2.90	3.07	3.27	3.39	3.21	3.05	2.75	2.95	2.88	2.88	2.86	3.01	3.00	3.09
TRIMMED BUTT, 1/4" TRM 5-10#, TTL on FOB Basis, USDA	1.19	1.15	1.16	1.18	1.15	1.12	1.12	1.12	1.15	1.15	1.12	1.15	1.10	1.16	1.17
SPARERIBS, 3 BAG/3 PCVAC 4.25#/DN-LG, TTL on FOB Basis, U	1.57	1.62	1.67	1.63	1.61	1.38	1.43	1.43	1.48	1.46	1.58	1.58	1.67	1.72	1.80
ST LOUIS STYLE RIBS 2 1/4 DN	2.57	2.62	2.67	2.63	2.61	2.38	2.43	2.43	2.48	2.46	2.58	2.58	2.67	2.72	2.80
SPARERIBS, 2 BAG/3 PCVAC 4.25#/UP-M, USDA	1.51	1.58	1.61	1.60	1.63	1.38	1.40	1.43	1.43	1.43	1.50	1.52	1.57	1.61	1.68
LOIN BACKRIB (BOXED), FRSH/FRZN, 1.75-2.00, USDA	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.34	2.51	2.56	2.81	2.67	2.67	2.66	2.75
LOIN BACKRIB (BOXED), FRSH/FRZN, 2.00/UP, USDA	2.82	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04	2.04
SKINNED HAM, BONE-IN, 17-20#, TTL on FOB Basis, USDA	0.80	0.80	0.78	0.81	0.88	0.88	0.93	0.96	1.04	1.05	1.10	0.93	0.83	0.86	0.88
SKINNED HAM, BONE-IN, 20-23#, TTL on FOB Basis, USDA	0.77	0.79	0.77	0.85	0.90	0.91	0.93	0.96	0.98	0.99	1.03	0.88	0.81	0.83	0.84
SKINNED HAM, BONE-IN, 23-27#, TTL on FOB Basis, USDA	0.77	0.80	0.77	0.85	0.90	0.90	0.90	0.90	0.90	0.95	0.98	0.86	0.81	0.81	0.82
SELECT, BNLS 5 MUSCLE HAMS 94-96%, TTL on FOB Basis, USD/	1.20	1.20	1.26	1.28	1.28	1.28	1.28	1.43	1.46	1.50	1.57	1.43	1.32	1.33	1.30
BELLY, SKIN-ON, TRIM 12-14#, TTL on FOB Basis,	1.47	1.23	1.22	1.36	1.38	1.07	1.07	1.22	1.18	1.22	1.26	1.26	1.29	1.36	1.34
BELLY, SKIN-ON, TRIM 14-16#, TTL on FOB Basis,	1.46	1.24	1.23	1.37	1.39	1.11	1.15	1.22	1.23	1.25	1.29	1.29	1.32	1.39	1.37
BELLY, SKIN-ON, TRIM 16-18#, TTL on FOB Basis,	1.47	1.25	1.22	1.36	1.39	1.11	1.15	1.22	1.21	1.22	1.26	1.26	1.29	1.36	1.34
42CL PORK TRIM, FRESH, COMBO, USDA	0.54	0.59	0.58	0.78	0.91	0.69	0.75	0.73	0.68	0.71	0.62	0.55	0.63	0.65	0.70
72CL PORK TRIM, FRESH, COMBO, USDA	0.84	0.85	0.86	0.95	1.03	1.02	1.08	0.96	0.89	0.92	0.92	0.85	0.90	0.90	0.95
HOG CARCASS															
250-270# HOGS, US 1-3, INTERIOR IOWA DIRECT HOG MARKET	0.91	0.90	0.95	0.96	0.98	0.87	0.88	0.93	0.92	0.93	0.90	0.89	0.91	0.92	0.91
BROILERS															
12 CITY BROILER COMPOSITE WEIGHTED AVG.	0.82	0.83	0.82	0.80	0.81	0.75	0.72	0.72	0.75	0.75	0.77	0.79	0.82	0.86	0.86
N.E. BROILER BREAST BONELESS-SKINLESS, USDA	1.36	1.31	1.25	1.21	1.31	1.29	1.21	1.24	1.18	1.20	1.18	1.22	1.33	1.51	1.53
N.E. BROILER BREAST LINE RUN, USDA	0.91	0.87	0.84	0.81	0.82	0.81	0.76	0.76	0.75	0.75	0.72	0.73	0.77	0.85	0.89
N.E. BROILER LEG QUARTERS, USDA	0.48	0.49	0.47	0.44	0.51	0.53	0.54	0.54	0.53	0.53	0.49	0.50	0.50	0.51	0.53
N.E. BROILER WINGS, USDA	0.83	0.82	0.90	0.96	0.98	1.13	1.20	1.16	1.17	1.17	1.18	1.22	1.30	1.30	1.19
TURKEYS															
HEN TURKEYS, EAST, FROZEN 10-12LBS,	0.98	1.02	1.05	1.05	1.08	1.11	1.13	1.14	1.15	1.14	1.16	1.05	0.96	0.95	0.97
UB BONELESS-SKINLESS TURKEY BREAST, TOM, FRESH,	2.50	2.50	2.50	2.50	2.56	2.67	2.67	2.67	2.57	2.67	2.44	2.34	2.17	2.07	2.16
LIVE STEERS															
FIVE AREA DIRECT AVERAGE LIVE STEER, USDA	1.21	1.12	1.08	1.12	1.13	1.16	1.16	1.20	1.21	1.22	1.22	1.21	1.22	1.24	1.27
BEEF															
CHOICE, 112A, 3 RIBEYE, BONELESS, HEAVY, USDA	5.82	5.46	5.33	5.39	5.37	5.94	6.23	6.46	6.49	6.46	7.08	6.76	6.05	5.98	6.65
CHOICE, 168, 3 TOP INSIDE ROUND, 1/4" MAX, USDA	2.14	2.05	1.99	2.03	2.20	2.12	2.08	2.17	2.18	2.18	2.17	2.28	2.44	2.42	2.41
CHOICE, 170, 1 BOTTOM GOOSENECK ROUND, USDA	1.99	1.92	1.88	1.90	1.98	2.04	2.12	2.11	2.19	2.20	2.22	2.23	2.35	2.40	2.32
CHOICE, 180, 3 STRIP LOIN, BONELESS, 0x1, USDA	5.97	5.17	5.20	5.50	4.88	4.53	4.48	4.34	4.41	4.45	4.50	4.58	5.13	5.24	5.60
CHOICE, 184, 3 TOP BUTT, BONELESS, USDA	2.80	2.41	2.46	3.16	3.37	3.02	2.74	2.39	2.68	2.70	2.78	2.92	3.08	3.25	3.57
CHOICE, 185A, 4 BOTTOM SIRLOIN, FLAP, USDA	3.68	3.60	3.90	4.20	3.97	3.46	3.23	3.14	3.29	3.32	3.43	3.67	3.82	3.83	4.40
COARSE GROUND 73%, USDA	1.77	1.72	1.63	1.46	1.51	1.55	1.50	1.45	1.61	1.56	1.53	1.55	1.85	1.74	1.67
COARSE GROUND 81%, USDA	1.94	1.89	1.82	1.62	1.62	1.70	1.66	1.66	1.71	1.69	1.64	1.69	2.00	1.96	1.87
90% BONELESS BEEF, CENTRAL, FRESH, USDA	2.03	1.99	1.90	1.83	1.79	1.78	1.71	1.66	1.67	1.67	1.70	1.80	2.00	2.12	2.07
50CL BEEF TRIM, FRESH, OMAHA BASIS, USDA	1.02	1.08	0.96	0.81	0.95	0.92	0.89	0.90	0.95	0.90	0.90	0.91	0.96	1.01	1.06

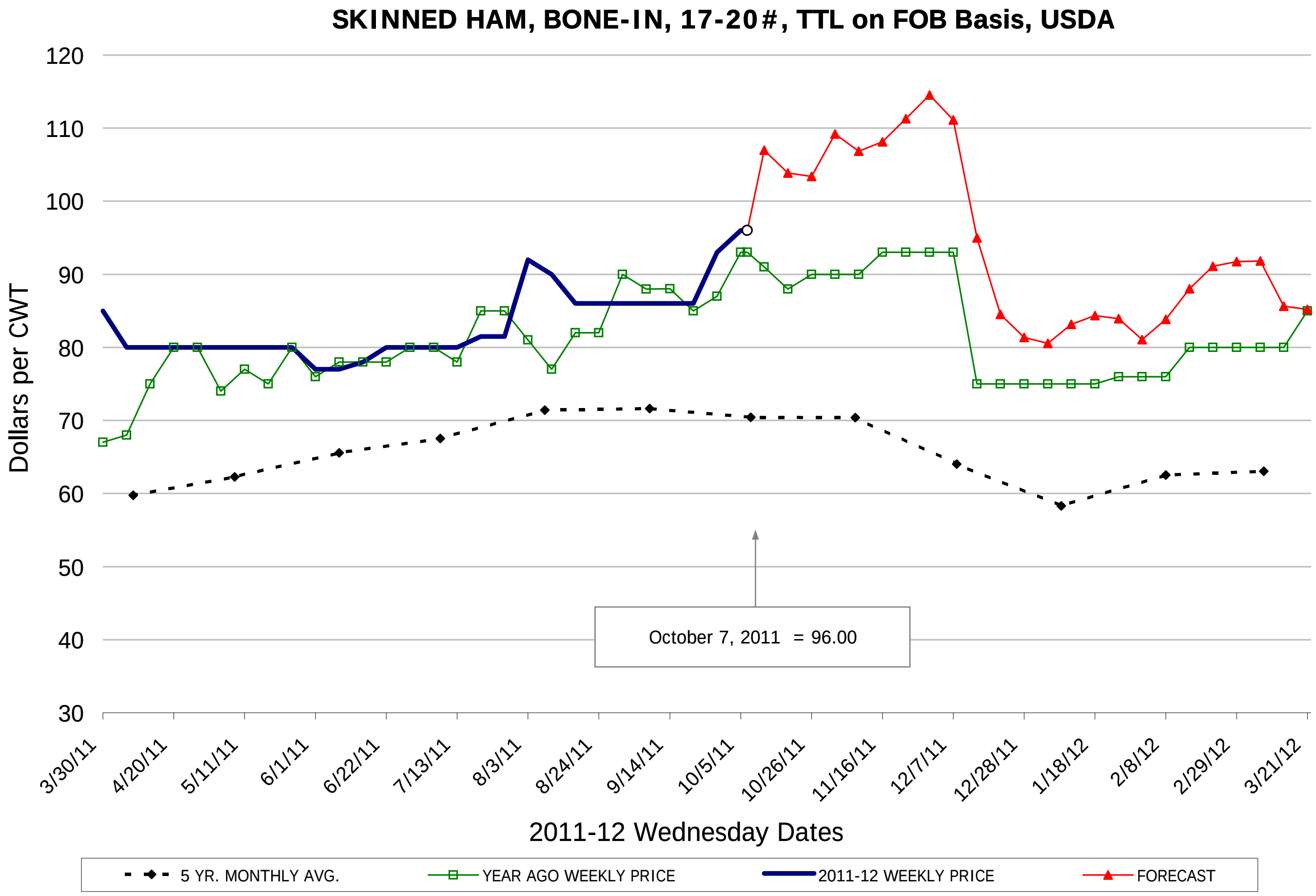
*St. Louis 2 1/4 dn rib prices are estimated at 3 1/2 dn plus $1.10

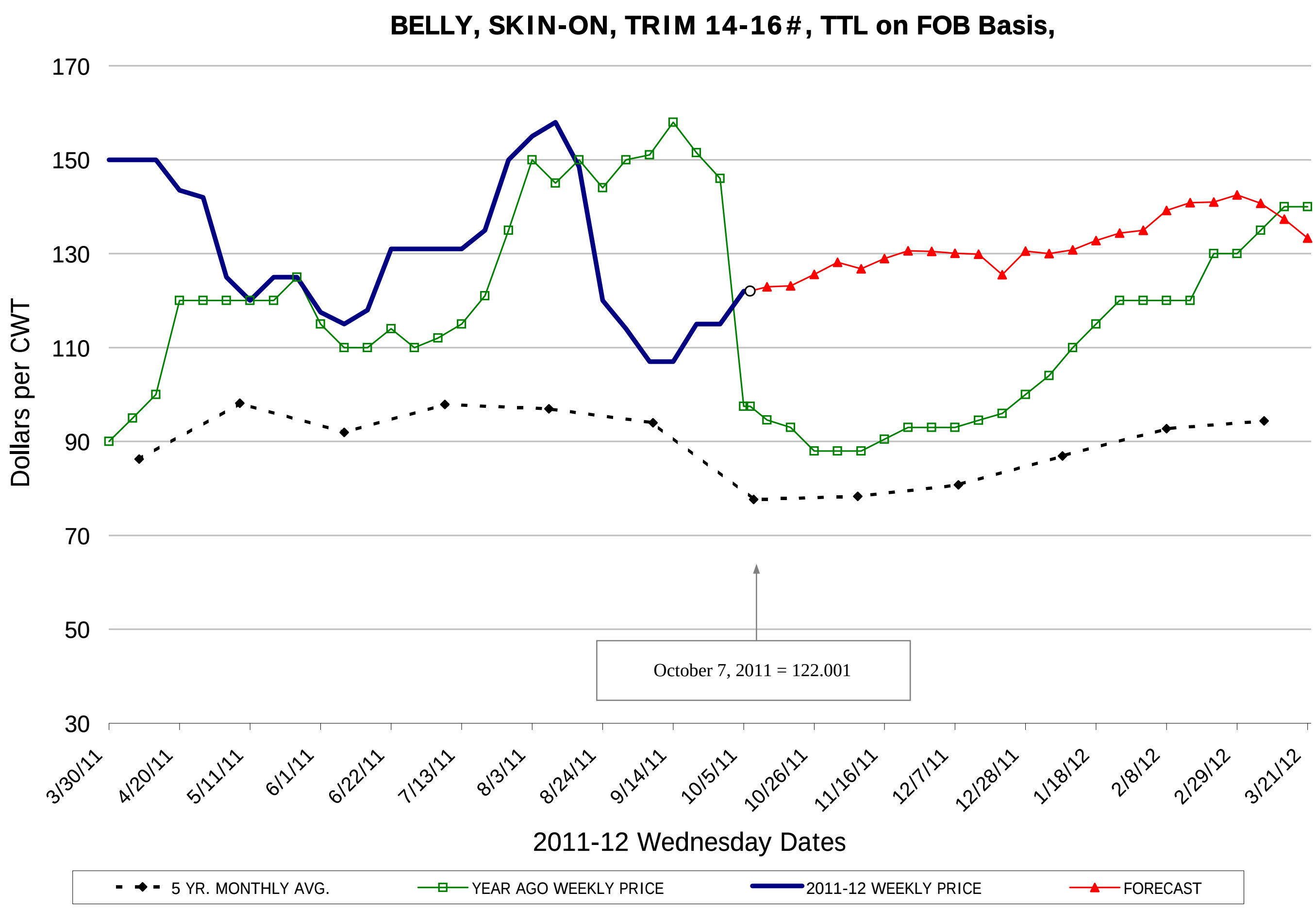
TRIM LOIN, 1/4" Trim 21#DN-LGT, TTL on FOB Basis, USDA

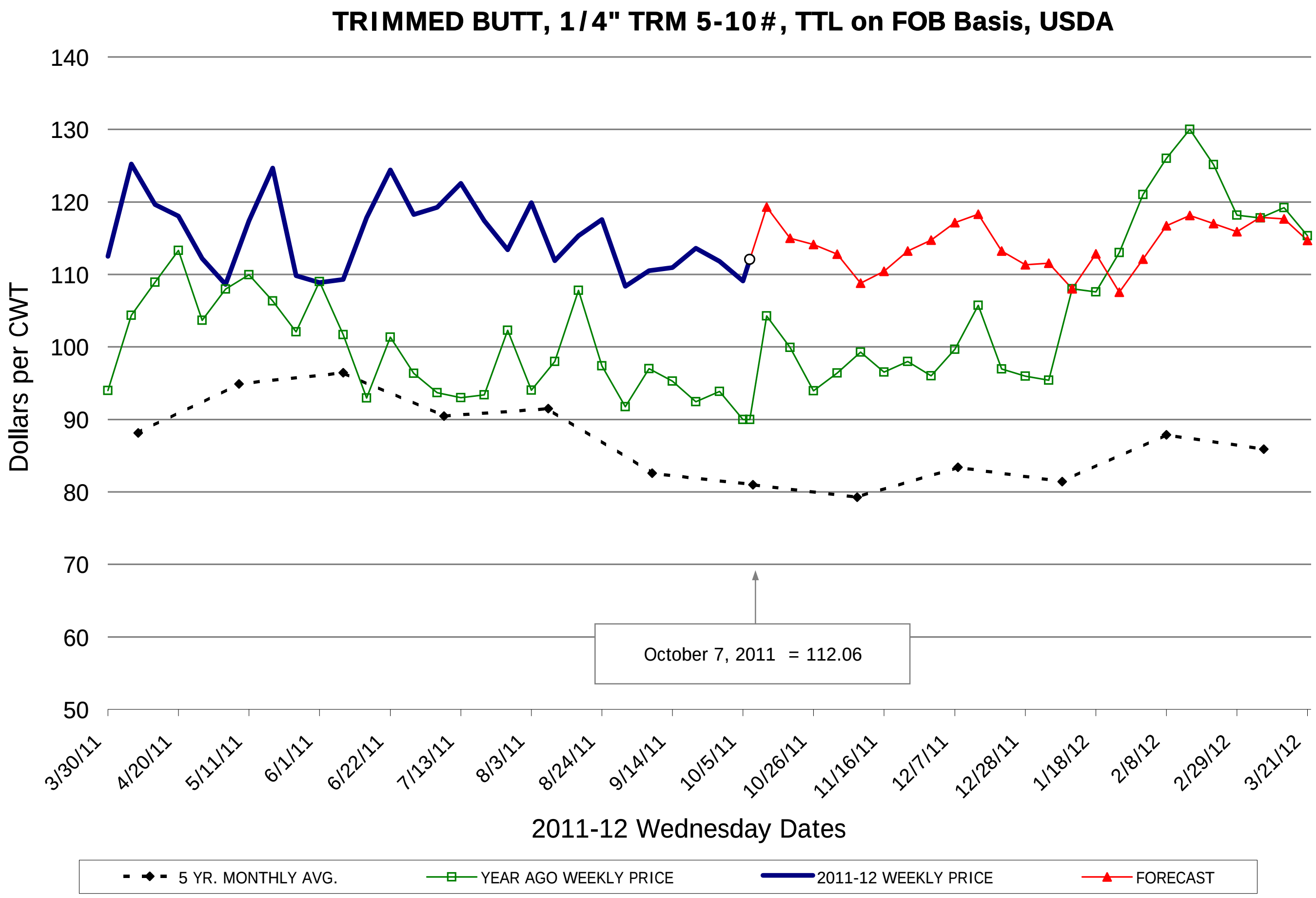


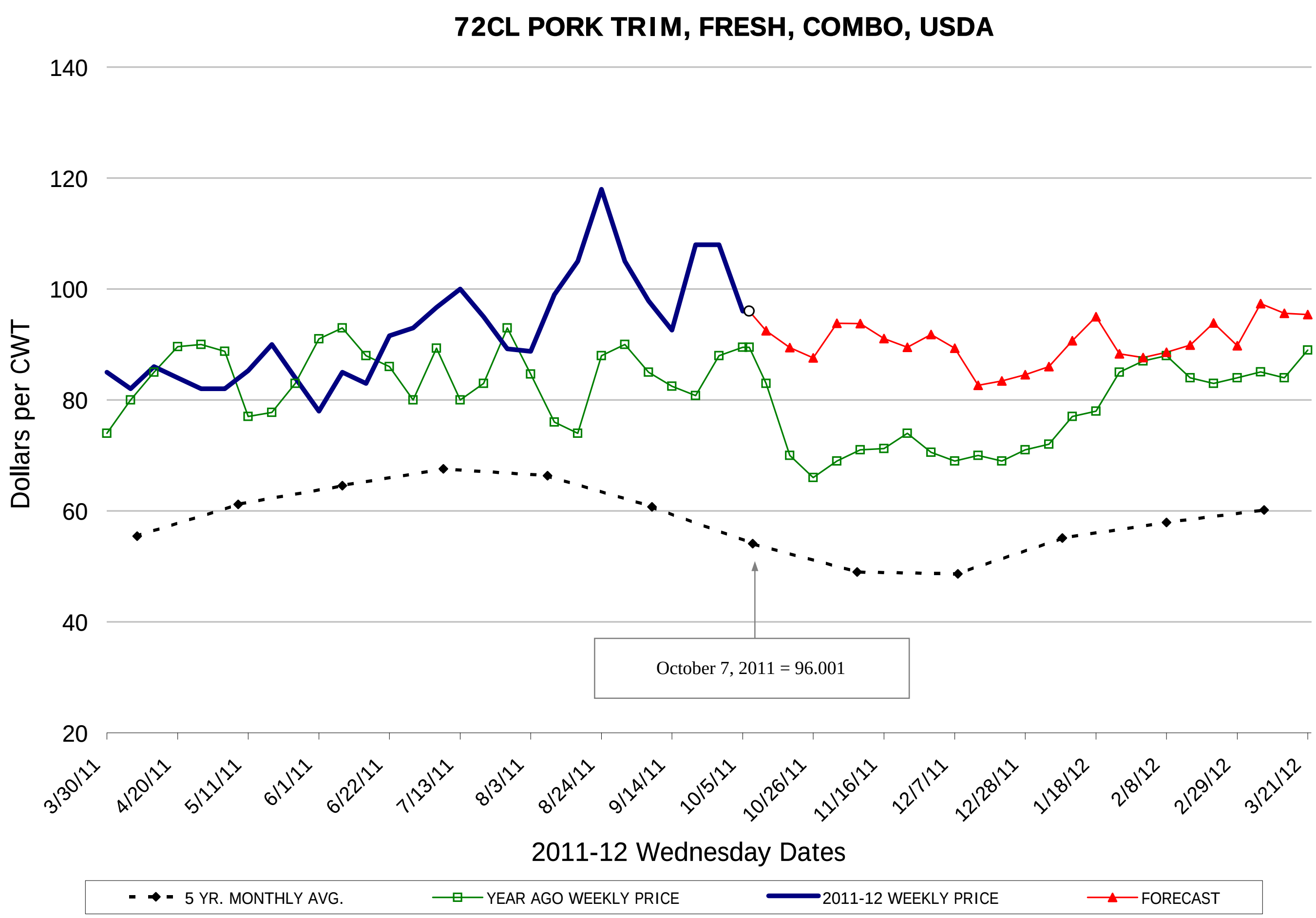
SPARERIBS, 3 BAG/3 PCVAC 4.25#/DN-LG, TTL on FOB Basis, USDA

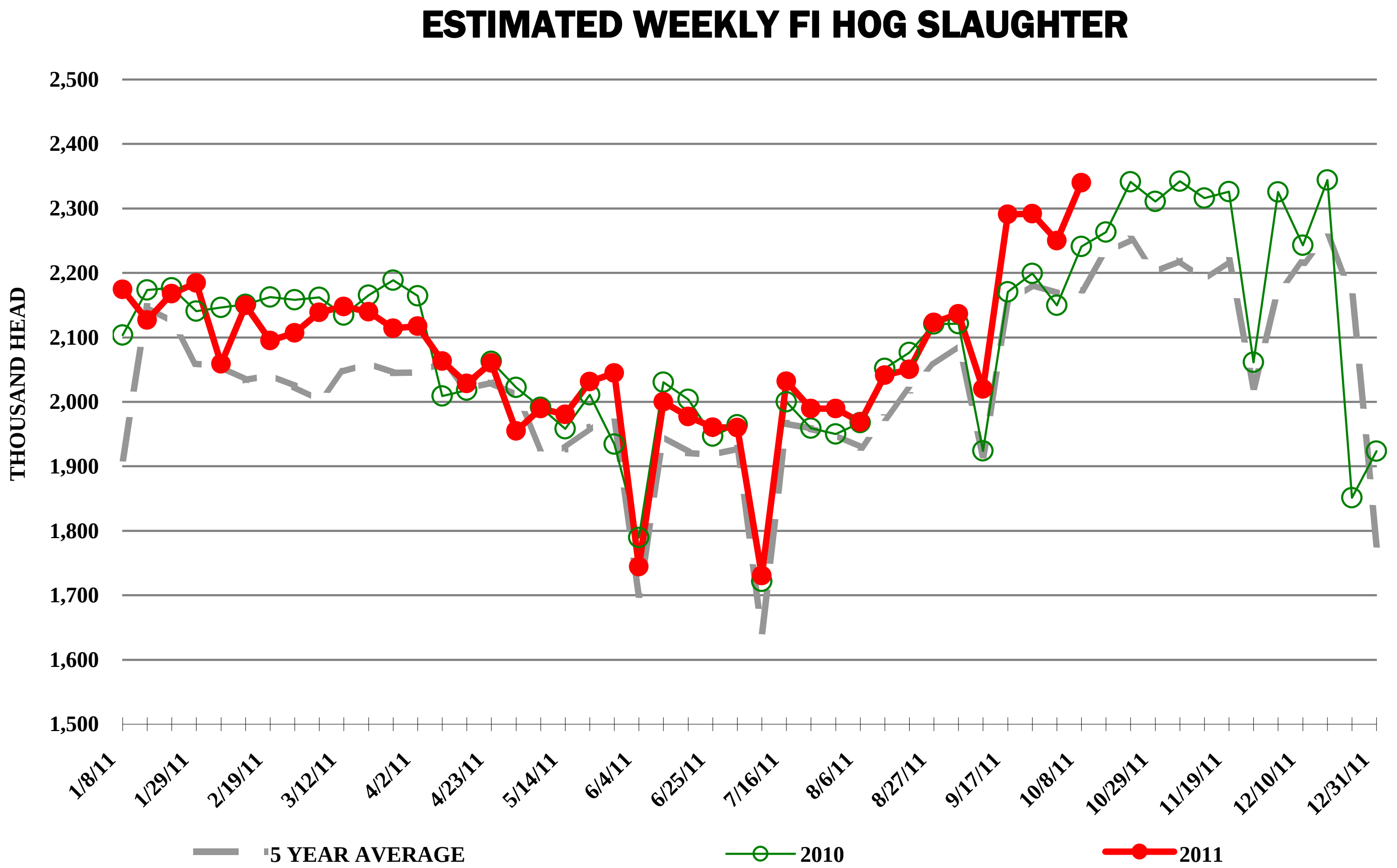


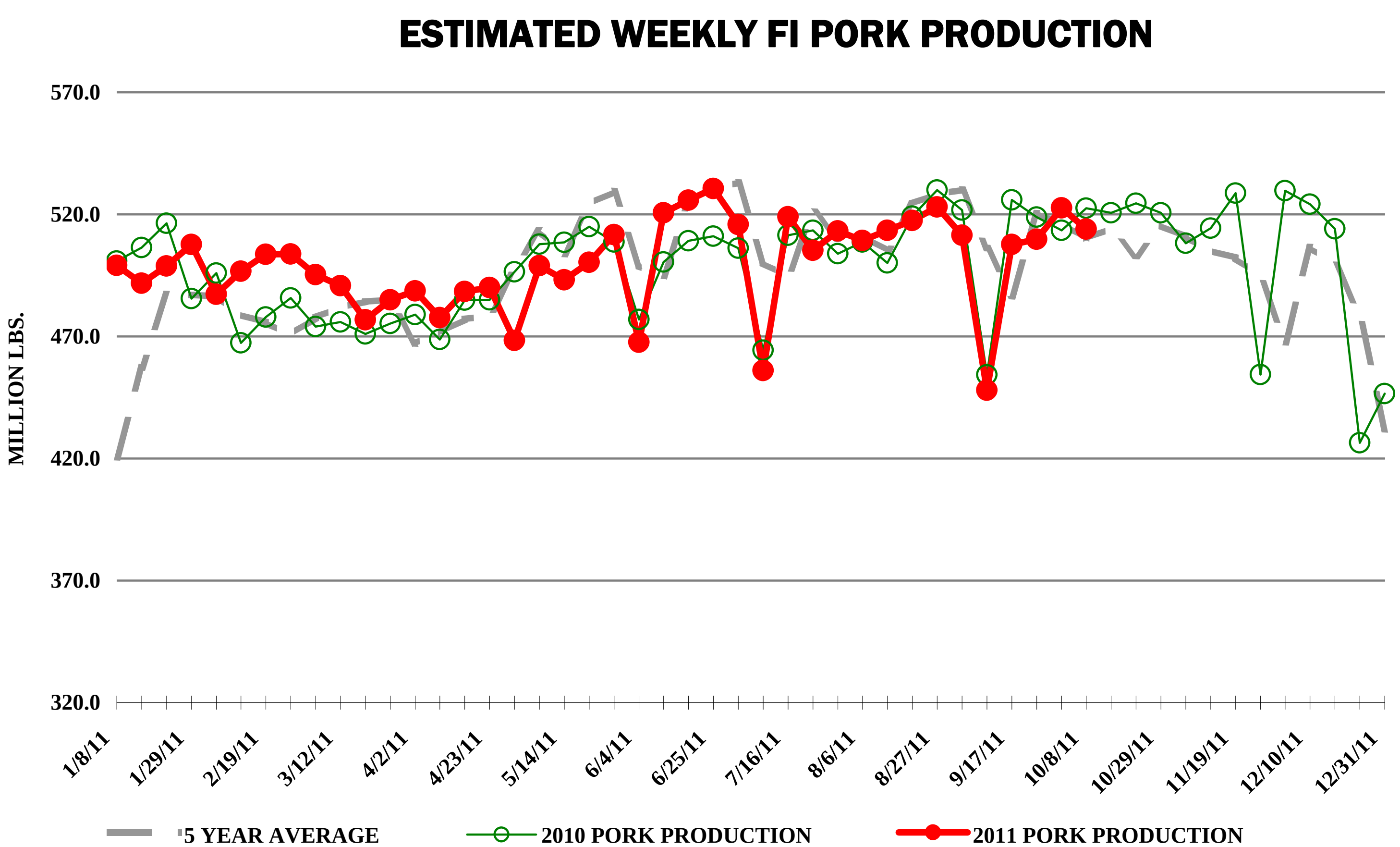

SKINNED HAM, BONE-IN, 17-20#, TTL on FOB Basis, USDA
Dollars per CWT
120
110
100
90
80
70
60
50
40
30
October 7, 2011 = 96.00
3/30/11
4/20/11
5/11/11
6/1/11
6/22/11
7/13/11
8/3/11
8/24/11
9/14/11
10/5/11
10/26/11
11/16/11
12/7/11
12/28/11
1/18/12
2/8/12
2/29/12
3/21/12
2011-12 Wednesday Dates
5 YR. MONTHLY AVG.
YEAR AGO WEEKLY PRICE
2011-12 WEEKLY PRICE
FORECAST


BELLY, SKIN-ON, TRIM 14-16#, TTL on FOB Basis,
Dollars per CWT
170
150
130
110
90
70
50
30
October 7, 2011 = 122.001
3/30/11
4/20/11
5/11/11
6/1/11
6/22/11
7/13/11
8/3/11
8/24/11
9/14/11
10/5/11
10/26/11
11/16/11
12/7/11
12/28/11
1/18/12
2/8/12
2/29/12
3/21/12
2011-12 Wednesday Dates
5 YR. MONTHLY AVG.
YEAR AGO WEEKLY PRICE
2011-12 WEEKLY PRICE
FORECAST


TRIMMED BUTT, 1/4" TRM 5-10#, TTL on FOB Basis, USDA
Dollars per CWT
140
130
120
110
100
90
80
70
60
50
October 7, 2011 = 112.06
3/30/11
4/20/11
5/11/11
6/1/11
6/22/11
7/13/11
8/3/11
8/24/11
9/14/11
10/5/11
10/26/11
11/16/11
12/7/11
12/28/11
1/18/12
2/8/12
2/29/12
3/21/12
2011-12 Wednesday Dates
5 YR. MONTHLY AVG.
YEAR AGO WEEKLY PRICE
2011-12 WEEKLY PRICE
FORECAST


72CL PORK TRIM, FRESH, COMBO, USDA
Dollars per CWT
140
120
100
80
60
40
20
October 7, 2011 = 96.001
3/30/11
4/20/11
5/11/11
6/1/11
6/22/11
7/13/11
8/3/11
8/24/11
9/14/11
10/5/11
10/26/11
11/16/11
12/7/11
12/28/11
1/18/12
2/8/12
2/29/12
3/21/12
2011-12 Wednesday Dates
5 YR. MONTHLY AVG.
YEAR AGO WEEKLY PRICE
2011-12 WEEKLY PRICE
FORECAST


ESTIMATED WEEKLY FI HOG SLAUGHTER
THOUSAND HEAD
2,500
2,400
2,300
2,200
2,100
2,000
1,900
1,800
1,700
1,600
1,500
1/8/11
1/29/11
2/19/11
3/12/11
4/2/11
4/23/11
5/14/11
6/4/11
6/25/11
7/16/11
8/6/11
8/27/11
9/17/11
10/8/11
10/29/11
11/19/11
12/10/11
12/31/11
5 YEAR AVERAGE
2010
2011


ESTIMATED WEEKLY FI PORK PRODUCTION
MILLION LBS.
570.0
520.0
470.0
420.0
370.0
320.0
1/8/11
1/29/11
2/19/11
3/12/11
4/2/11
4/23/11
5/14/11
6/4/11
6/25/11
7/16/11
8/6/11
8/27/11
9/17/11
10/8/11
10/29/11
11/19/11
12/10/11
12/31/11
5 YEAR AVERAGE
2010 PORK PRODUCTION
2011 PORK PRODUCTION

A SUMMARY OF THE:

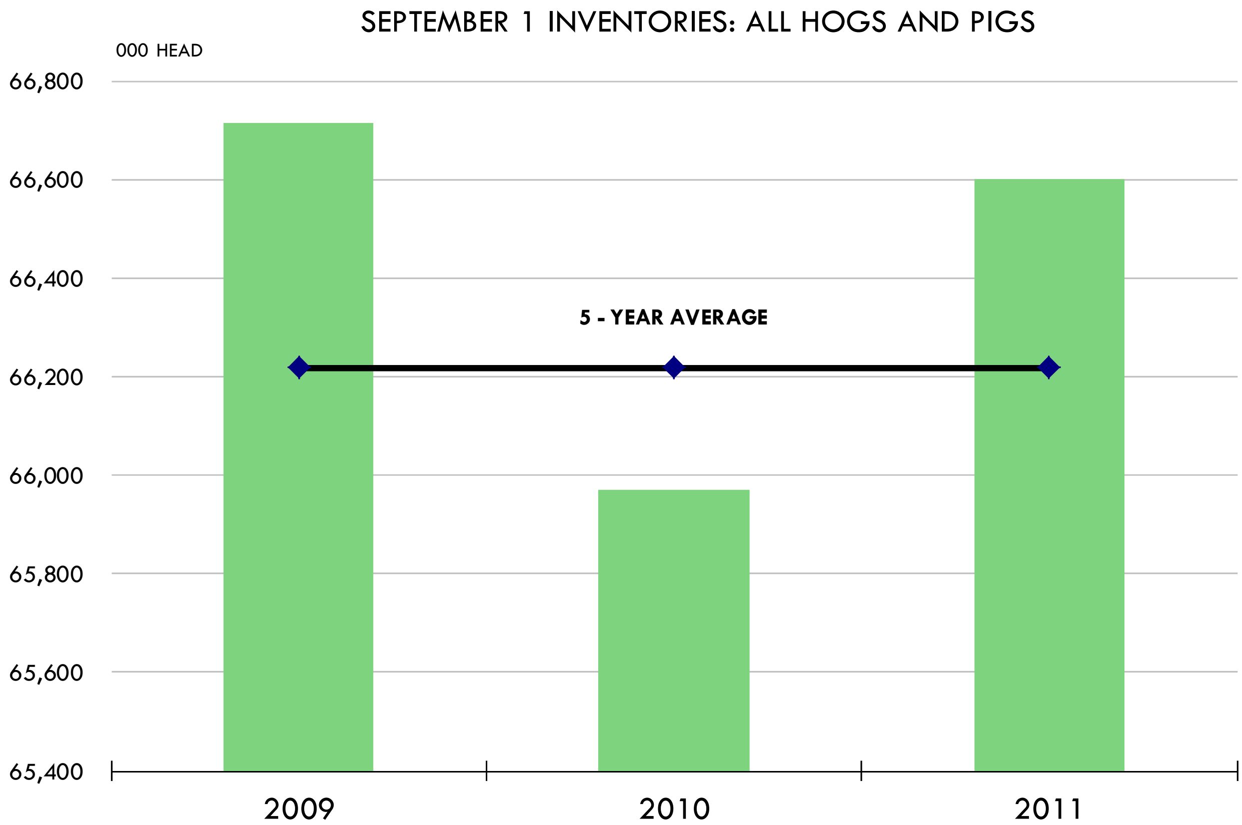
USDA SEPTEMBER 1 HOGS AND PIGS REPORT

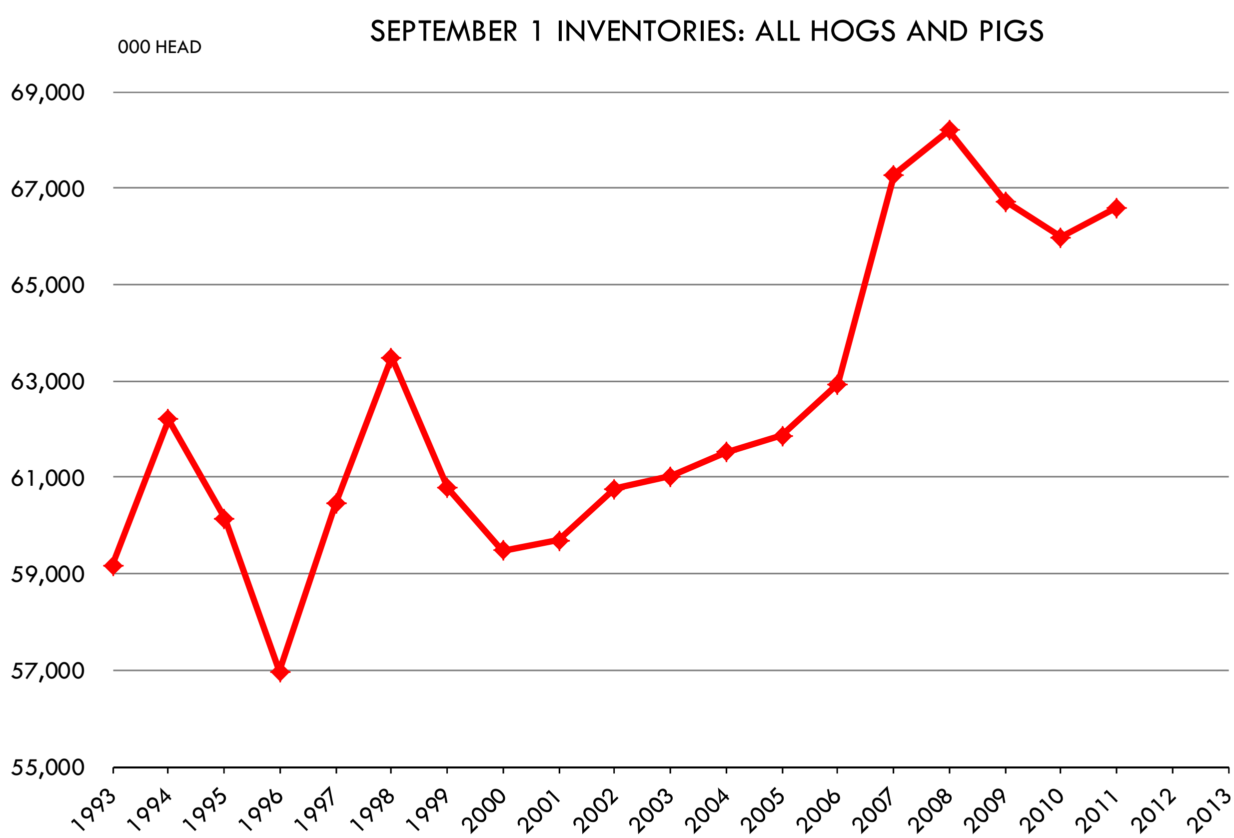
Prepared by: Steiner Consulting Group., 800-526-4612 Wednesday, September 28, 2010

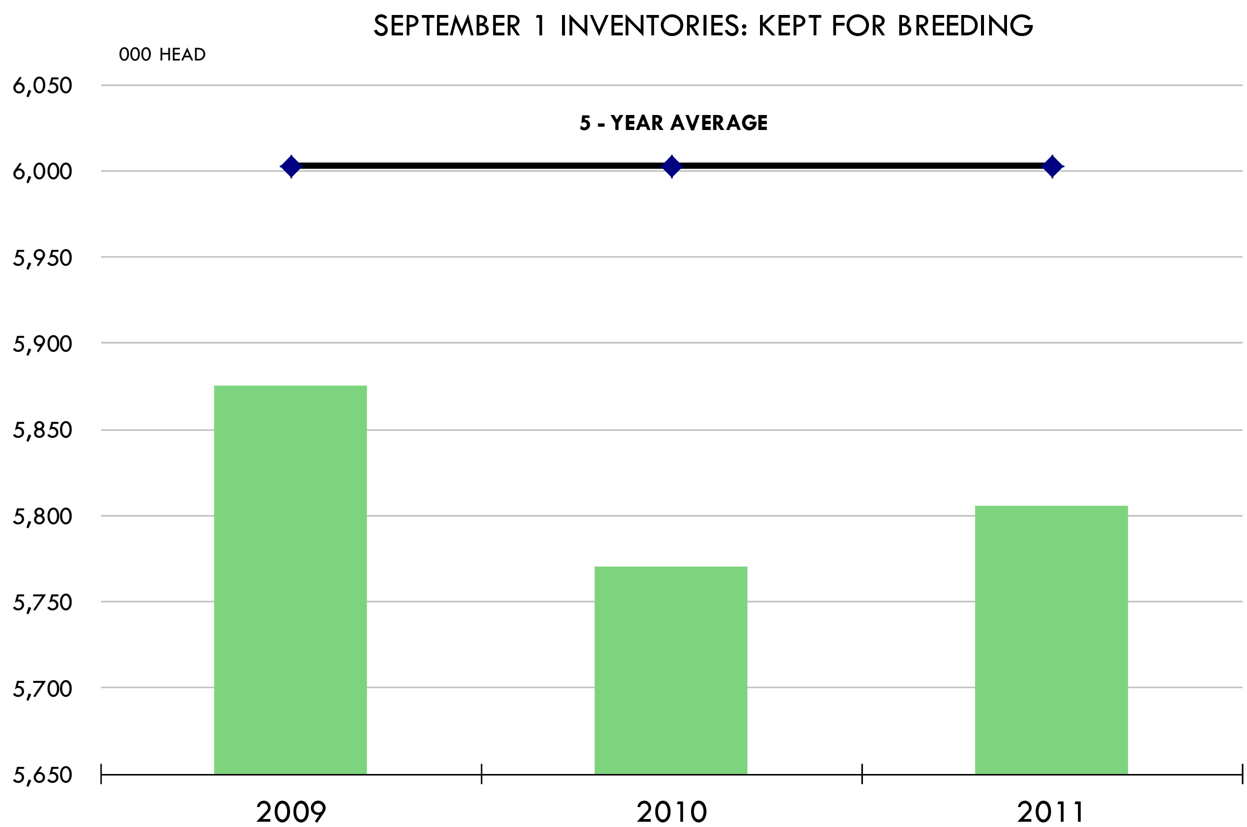
USDA HOGS AND PIGS REPORT, SEPTEMBER 1 2011

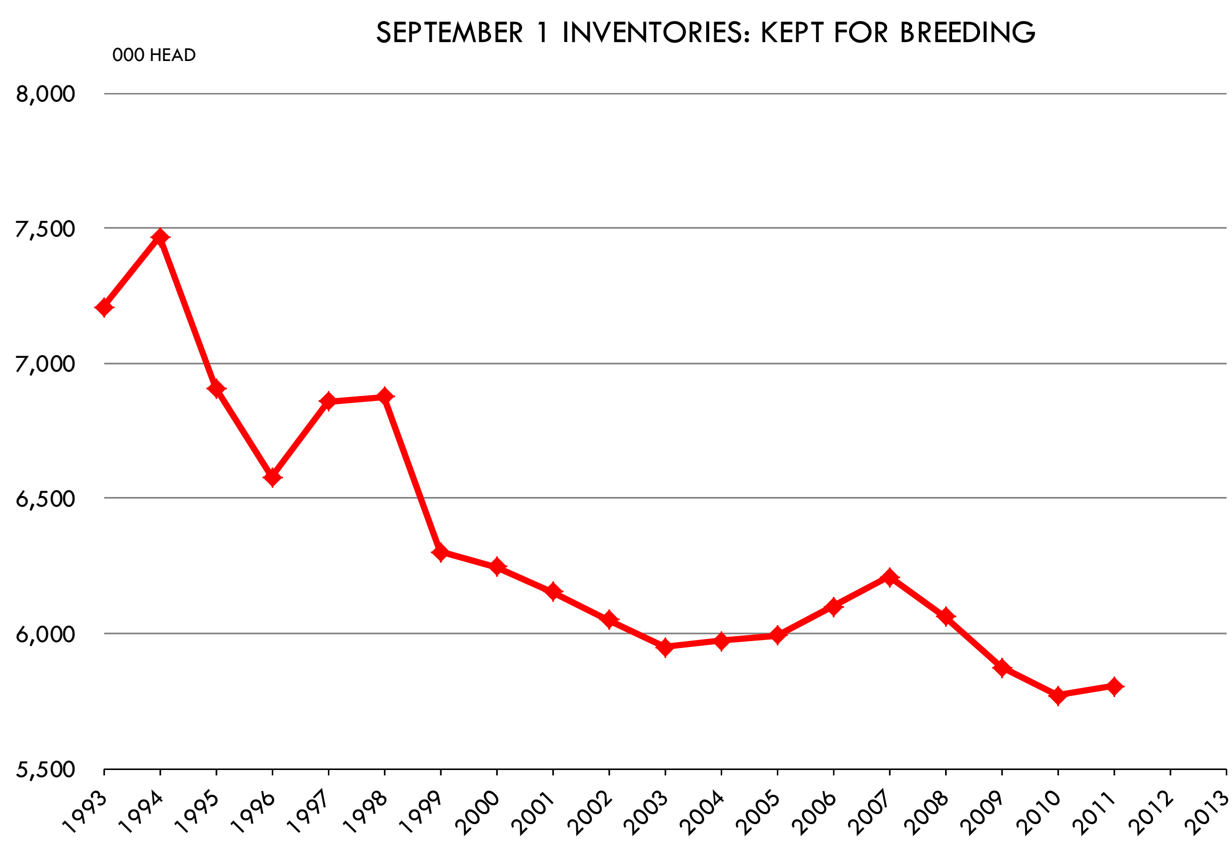
CATEGORY	2009	2010	2011	2012	2011 AS % OF 2009	2011 AS % OF 2010	2012 AS % OF 2011
ALL HOGS AND PIGS	66,716	65,971	66,599		99.8%	101.0%	
KEPT FOR BREEDING	5,875	5,770	5,806		98.8%	100.6%	
KEPT FOR MARKET	60,842	60,201	60,793		99.9%	101.0%	
UNDER 50 POUNDS	19,758	19,613	19,696		99.7%	100.4%	
50-119 POUNDS	17,148	17,395	17,459		101.8%	100.4%	
120-179 POUNDS	12,684	12,674	12,762		100.6%	100.7%	
180 POUNDS AND OVER	11,253	10,520	10,876		96.6%	103.4%	
SOW FARROWINGS							
DEC - FEB [1,2]	3,011	2,872	2,844	2,857	94.5%	99.0%	100.5%
MAR - MAY	3,018	2,929	2,877		95.3%	98.2%	
DEC - MAY [1]	6,029	5,801	5,721		94.9%	98.6%	
JUN - AUG	2,959	2,944	2,901		98.0%	98.5%	
SEP - NOV [3]	2,915	2,881	2,874		98.6%	99.8%	
JUN - NOV [4]	5,874	5,824	5,775		98.3%	99.2%	
PIG CROP							
DEC - FEB [1]	28,552	27,597	27,869		97.6%	101.0%	
MAR - MAY	29,012	28,730	28,851		99.4%	100.4%	
DEC - MAY [1]	57,564	56,327	56,719		98.5%	100.7%	
JUN - AUG	28,718	28,871	29,084		101.3%	100.7%	
SEP - NOV	28,260	28,489					
JUN - NOV	56,978	57,359					
PIGS PER LITTER							
DEC - FEB [1]	9.48	9.61	9.80		103.4%	102.0%	
MAR - MAY	9.61	9.81	10.03		104.4%	102.2%	
DEC - MAY [1]	9.55	9.71	9.91		103.8%	102.1%	
JUN - AUG	9.70	9.81	10.03		103.4%	102.2%	
SEP - NOV	9.70	9.89					
JUN - NOV	9.70	9.85					

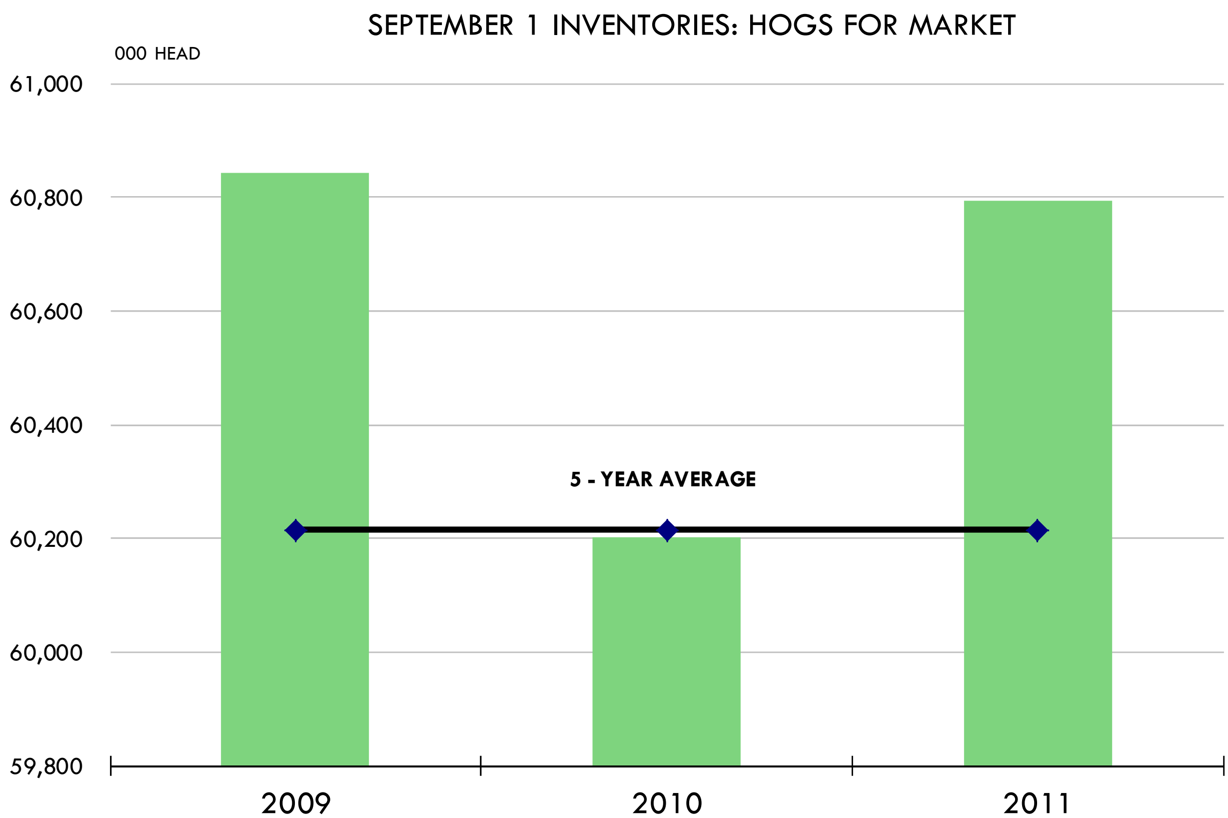
(1) - Dec. preceding year
(2) - Intentions for 2011
(3) - Intentions for 2010
(4) - Actual farrowings for June - August plus intentions for September - November

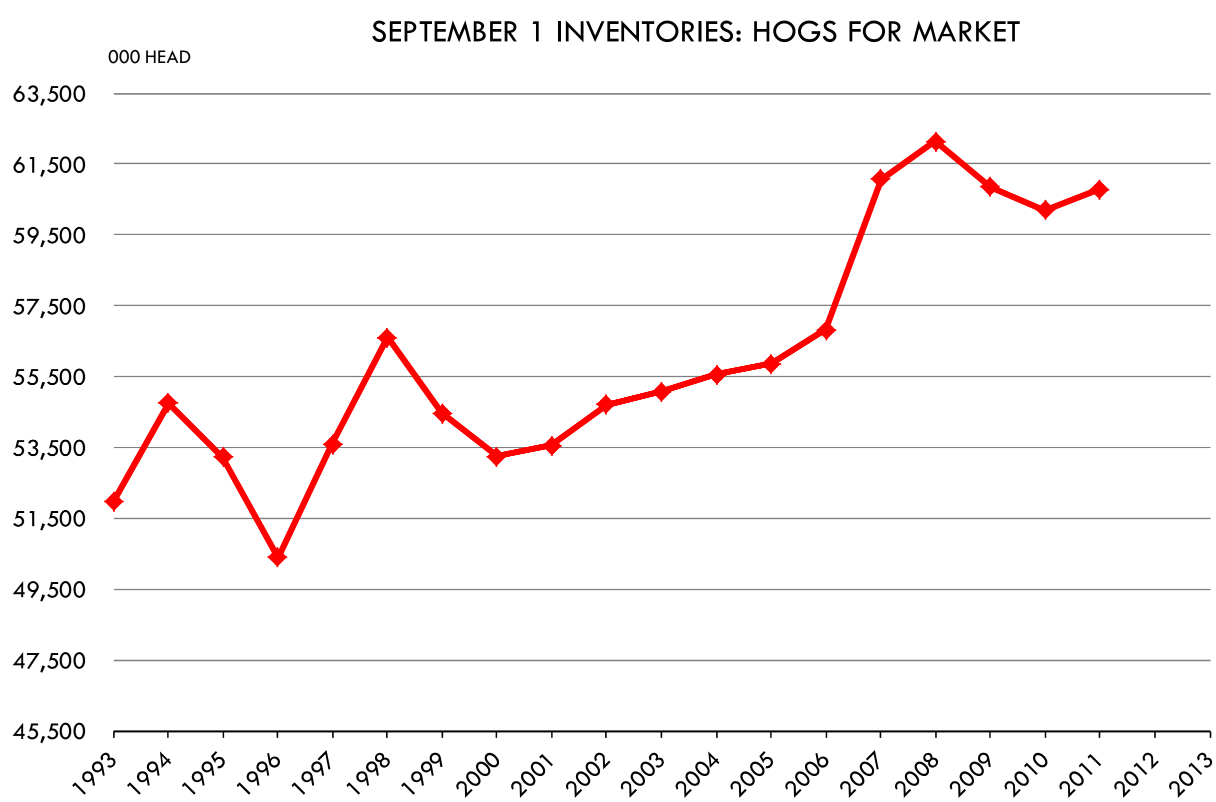

SEPTEMBER 1 INVENTORIES: ALL HOGS AND PIGS
000 HEAD
66,800
66,600
66,400
66,200
66,000
65,800
65,600
65,400
5 - YEAR AVERAGE
2009
2010
2011

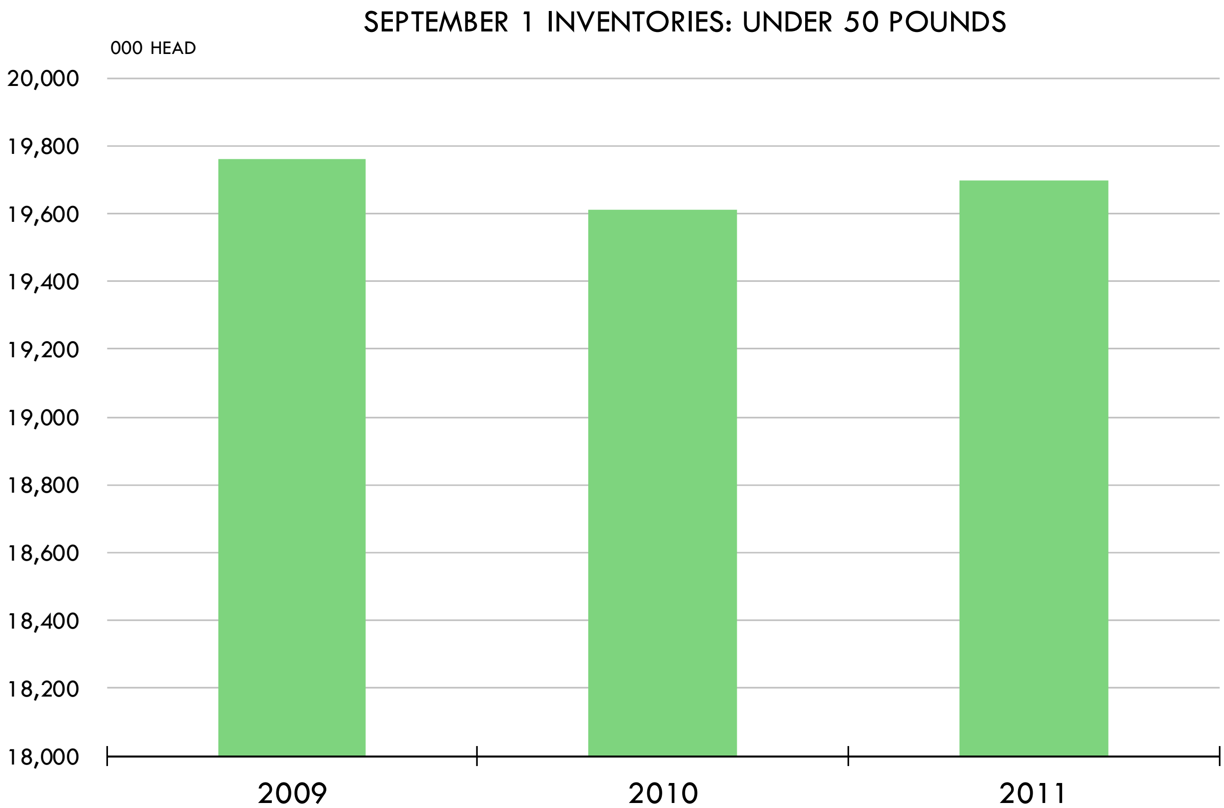

SEPTEMBER 1 INVENTORIES: ALL HOGS AND PIGS
000 HEAD
69,000
67,000
65,000
63,000
61,000
59,000
57,000
55,000
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

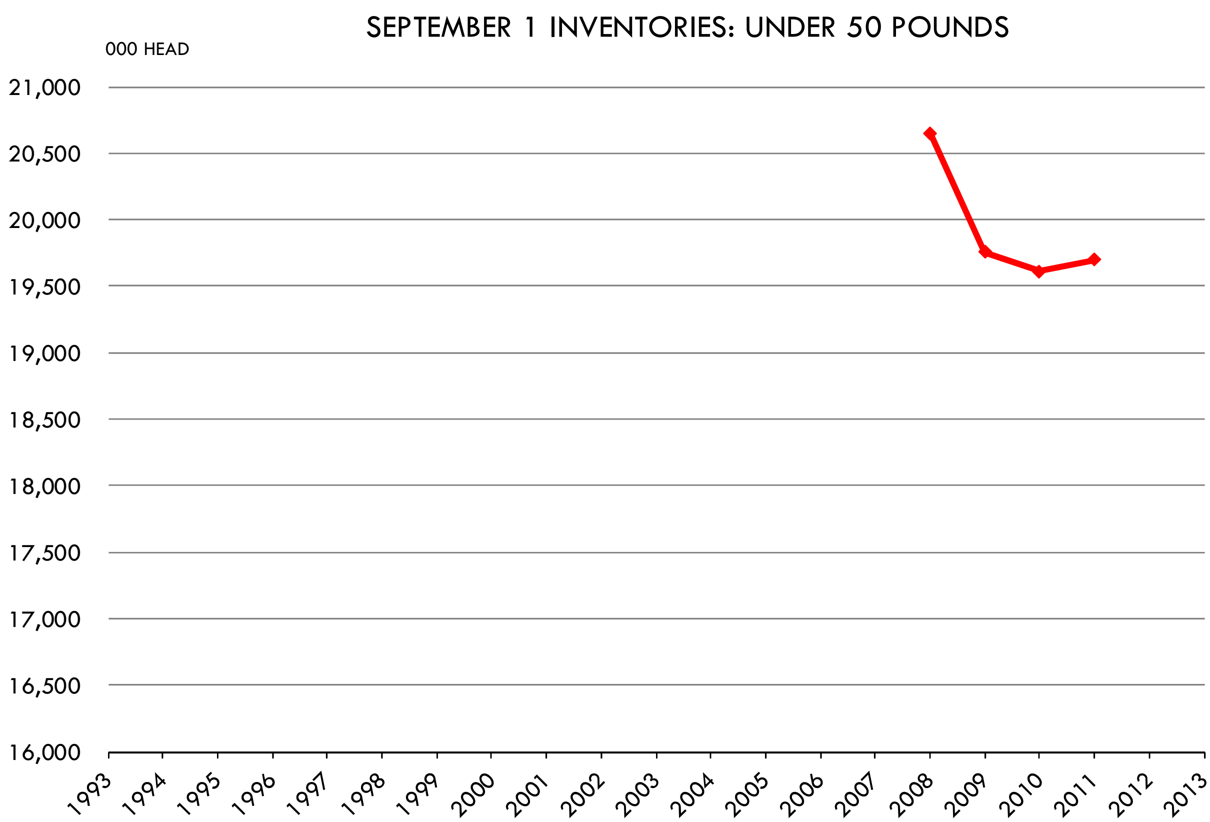

SEPTEMBER 1 INVENTORIES: KEPT FOR BREEDING
000 HEAD
6,050
6,000
5,950
5,900
5,850
5,800
5,750
5,700
5,650
5 - YEAR AVERAGE
2009
2010
2011

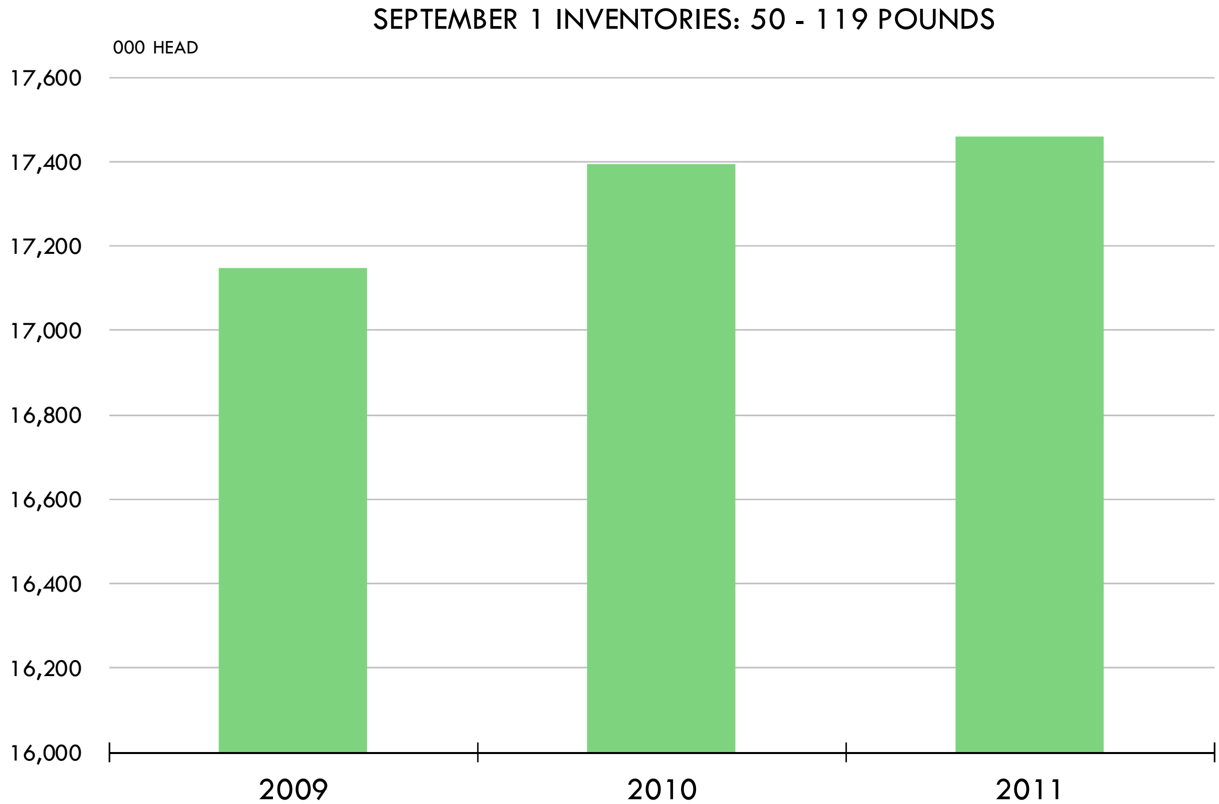

SEPTEMBER 1 INVENTORIES: KEPT FOR BREEDING
000 HEAD
8,000
7,500
7,000
6,500
6,000
5,500
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

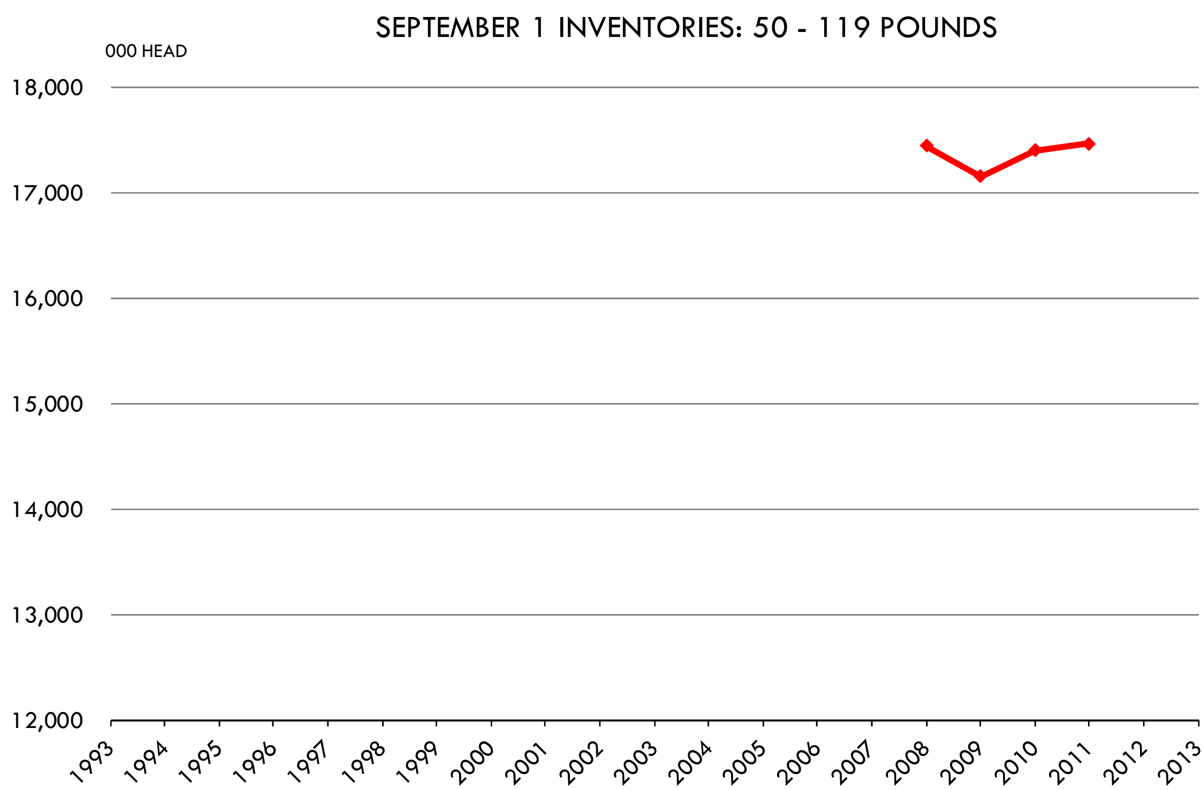

SEPTEMBER 1 INVENTORIES: HOGS FOR MARKET
000 HEAD
61,000
60,800
60,600
60,400
60,200
60,000
59,800
5 - YEAR AVERAGE
2009
2010
2011

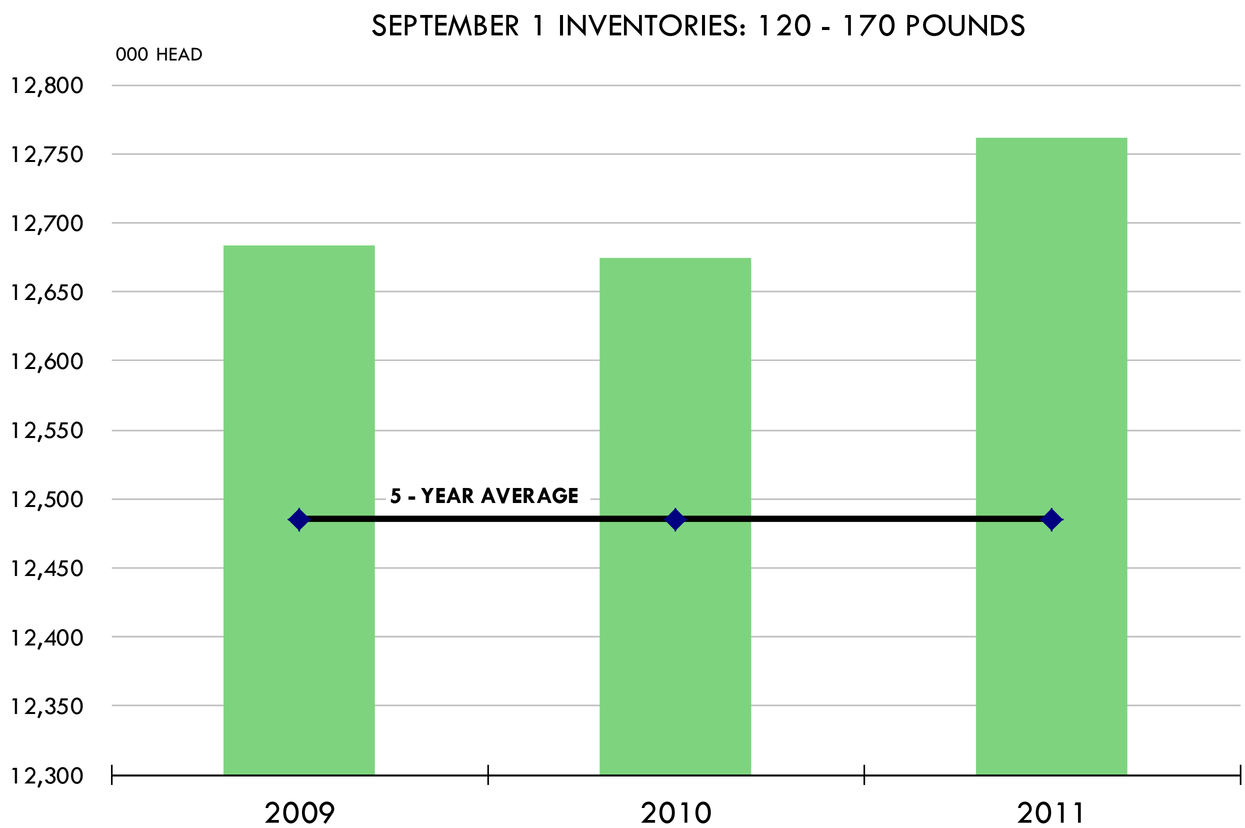

SEPTEMBER 1 INVENTORIES: HOGS FOR MARKET
000 HEAD
63,500
61,500
59,500
57,500
55,500
53,500
51,500
49,500
47,500
45,500
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

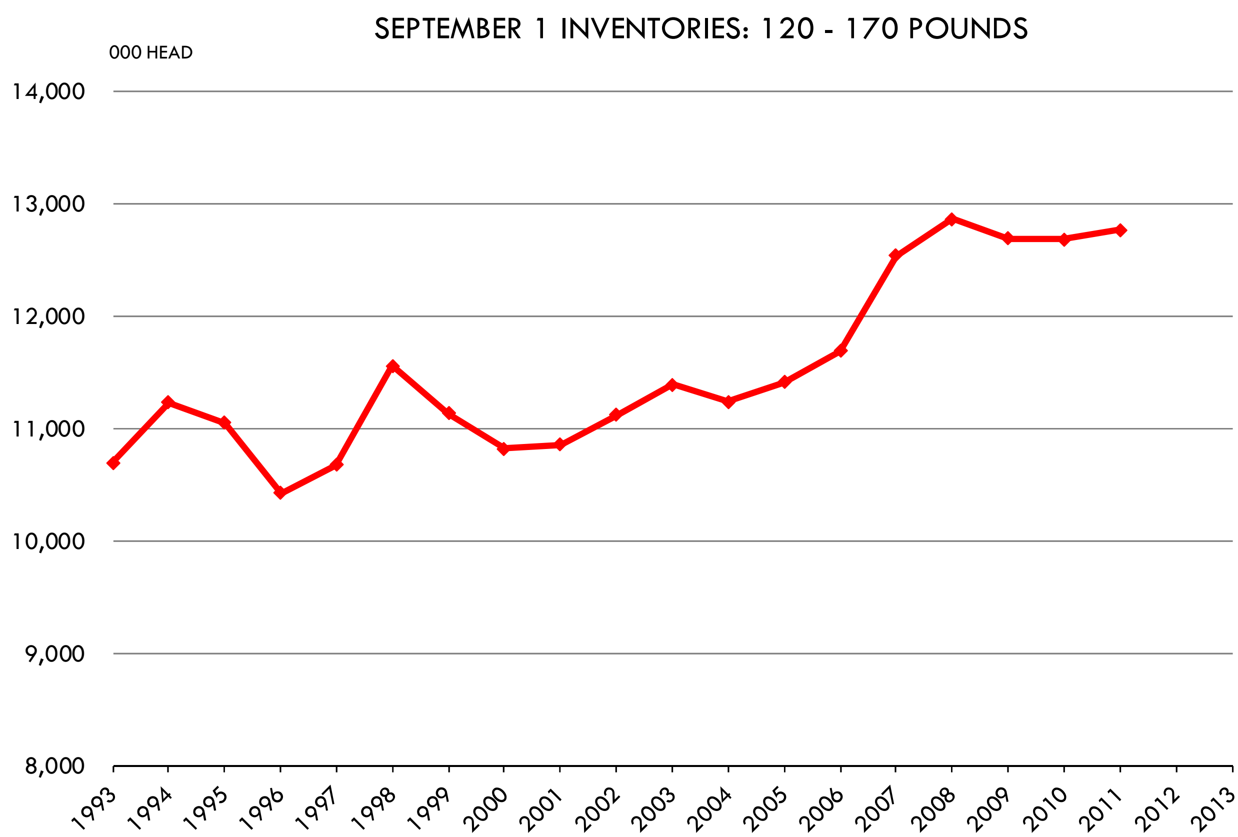

SEPTEMBER 1 INVENTORIES: UNDER 50 POUNDS
000 HEAD
20,000
19,800
19,600
19,400
19,200
19,000
18,800
18,600
18,400
18,200
18,000
2009
2010
2011

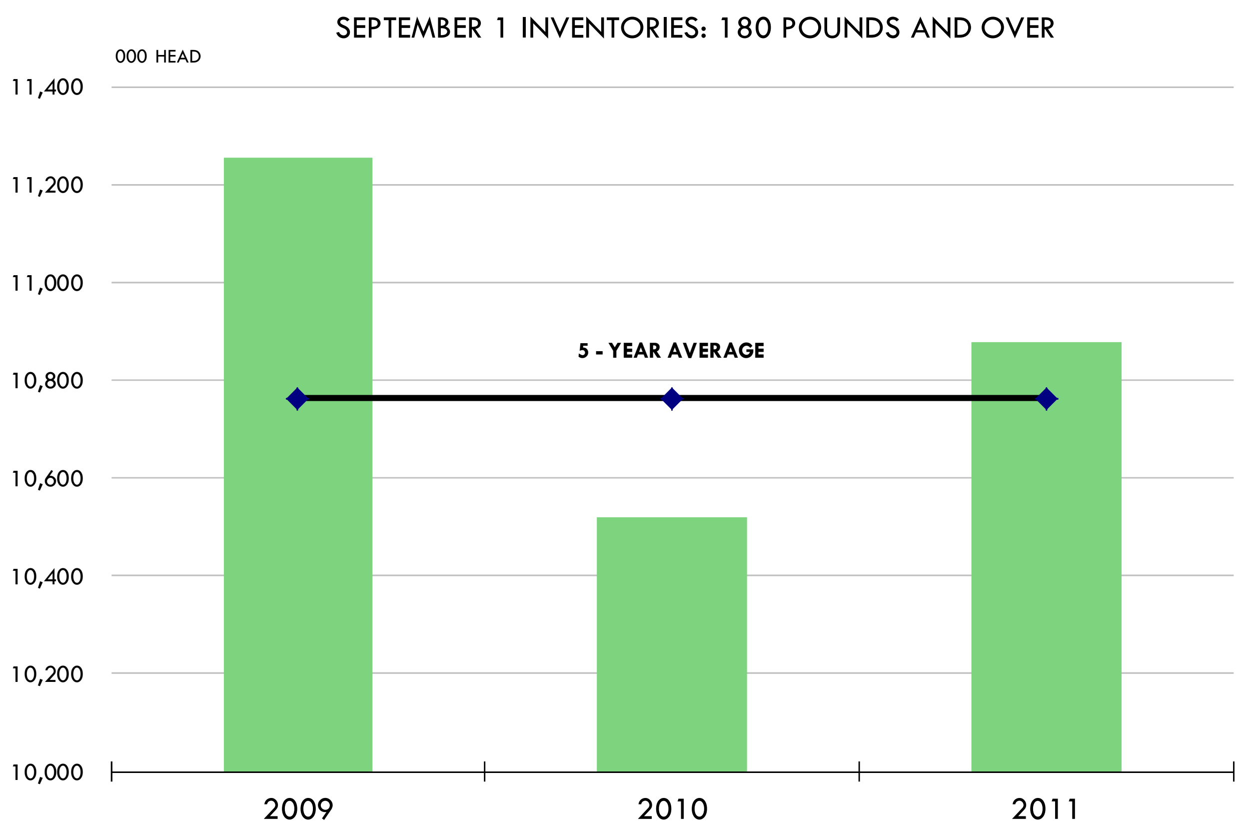

SEPTEMBER 1 INVENTORIES: UNDER 50 POUNDS
000 HEAD
21,000
20,500
20,000
19,500
19,000
18,500
18,000
17,500
17,000
16,500
16,000
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

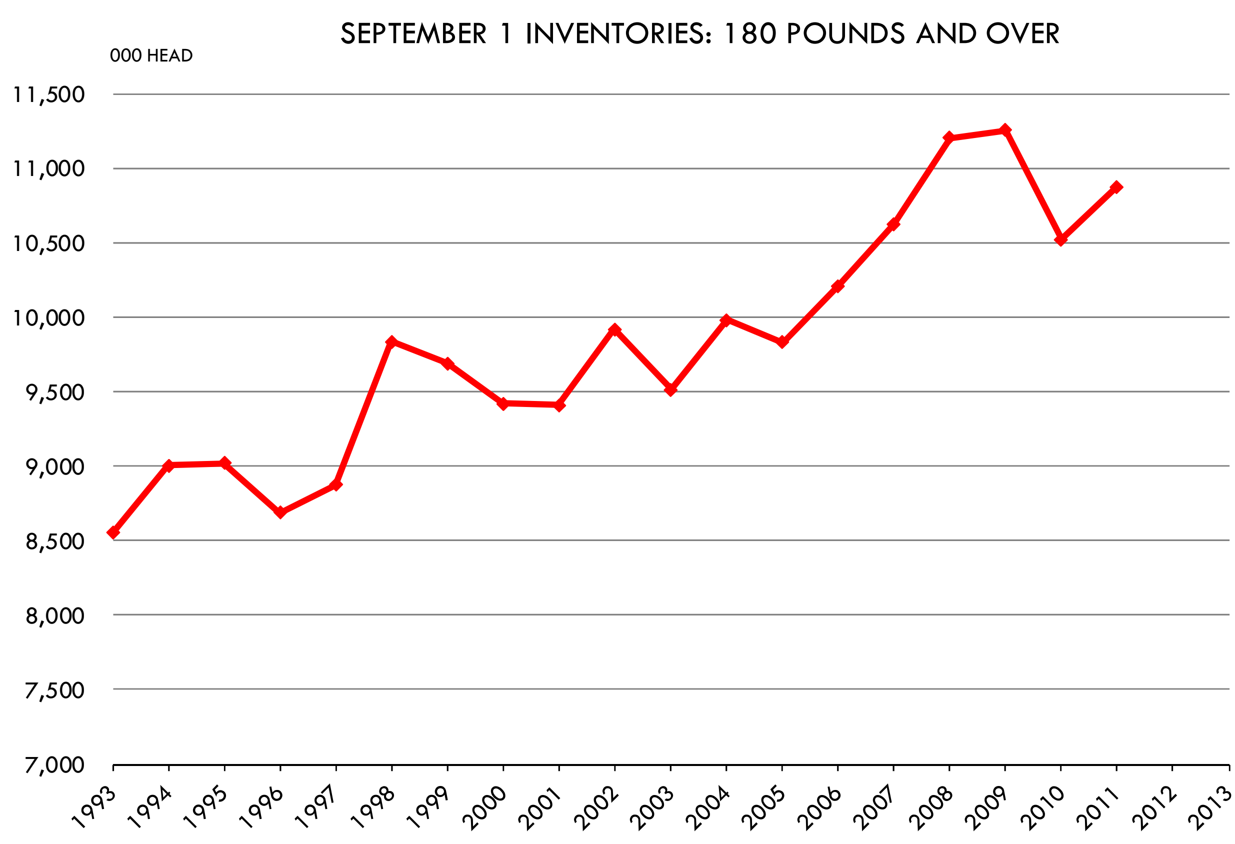

SEPTEMBER 1 INVENTORIES: 50 - 119 POUNDS
000 HEAD
17,600
17,400
17,200
17,000
16,800
16,600
16,400
16,200
16,000
2009
2010
2011

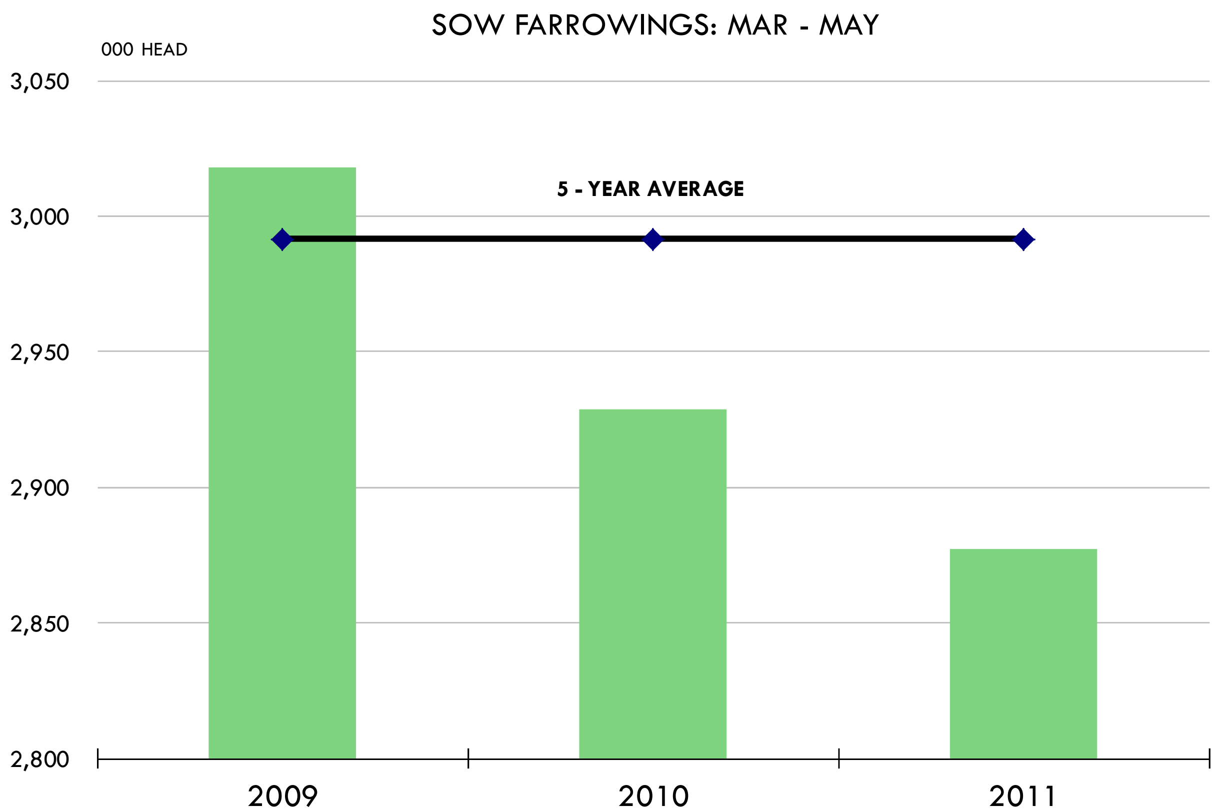

SEPTEMBER 1 INVENTORIES: 50 - 119 POUNDS
000 HEAD
18,000
17,000
16,000
15,000
14,000
13,000
12,000
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

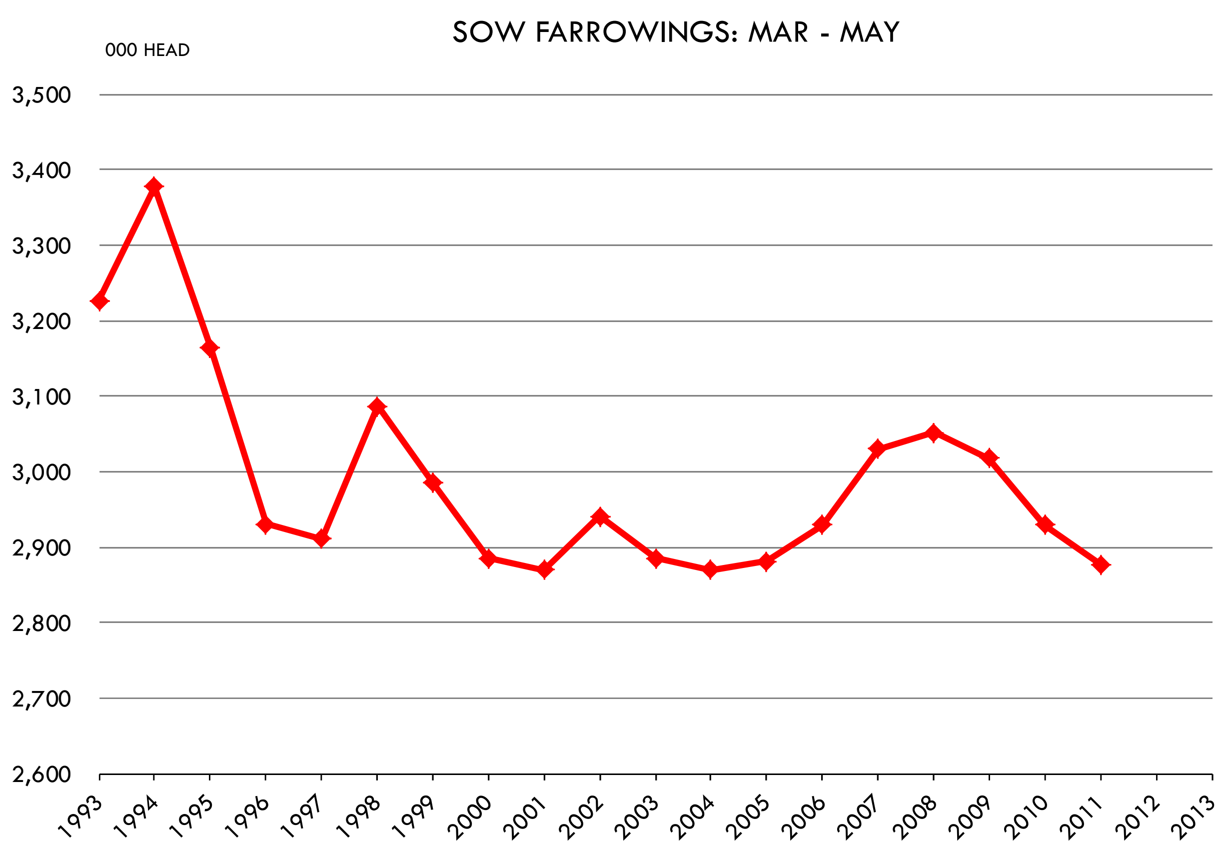

SEPTEMBER 1 INVENTORIES: 120 - 170 POUNDS
000 HEAD
12,800
12,750
12,700
12,650
12,600
12,550
12,500
12,450
12,400
12,350
12,300
5 - YEAR AVERAGE
2009
2010
2011

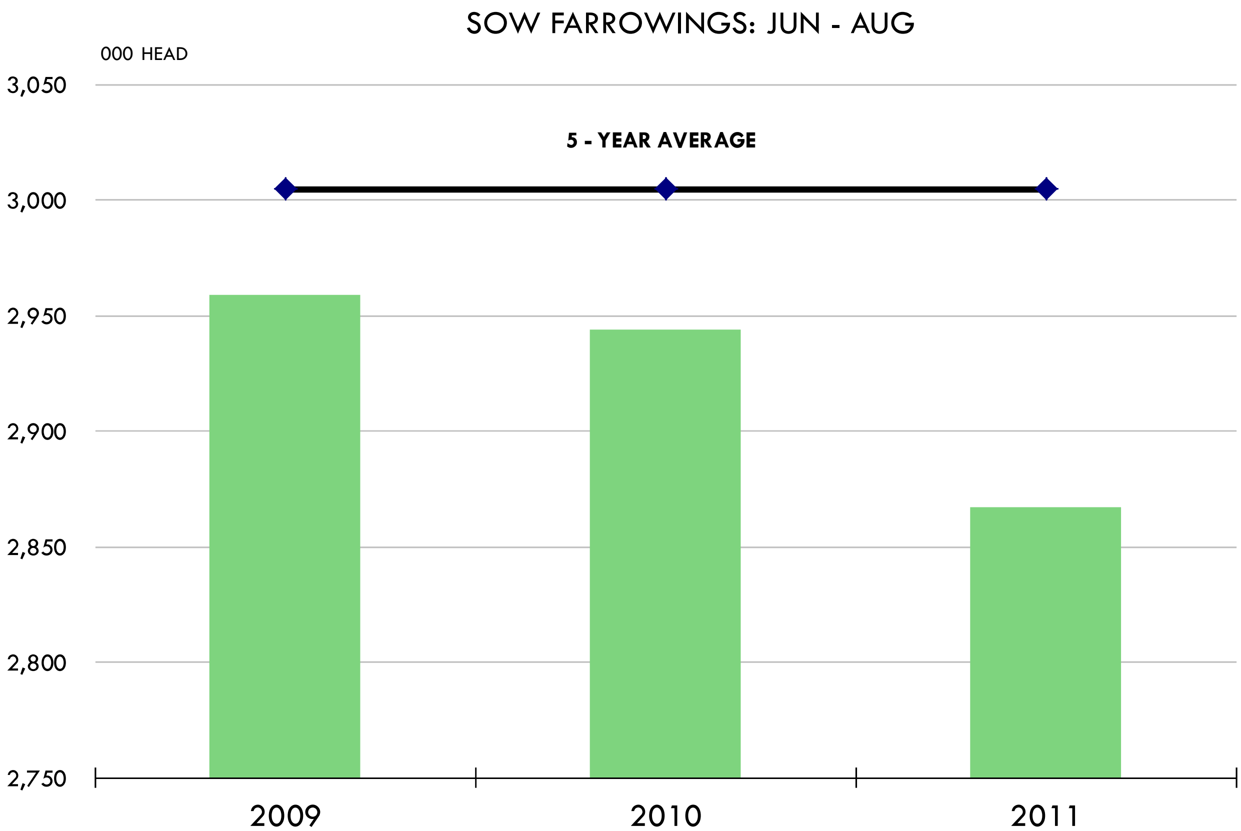

SEPTEMBER 1 INVENTORIES: 120 - 170 POUNDS
000 HEAD
14,000
13,000
12,000
11,000
10,000
9,000
8,000
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013

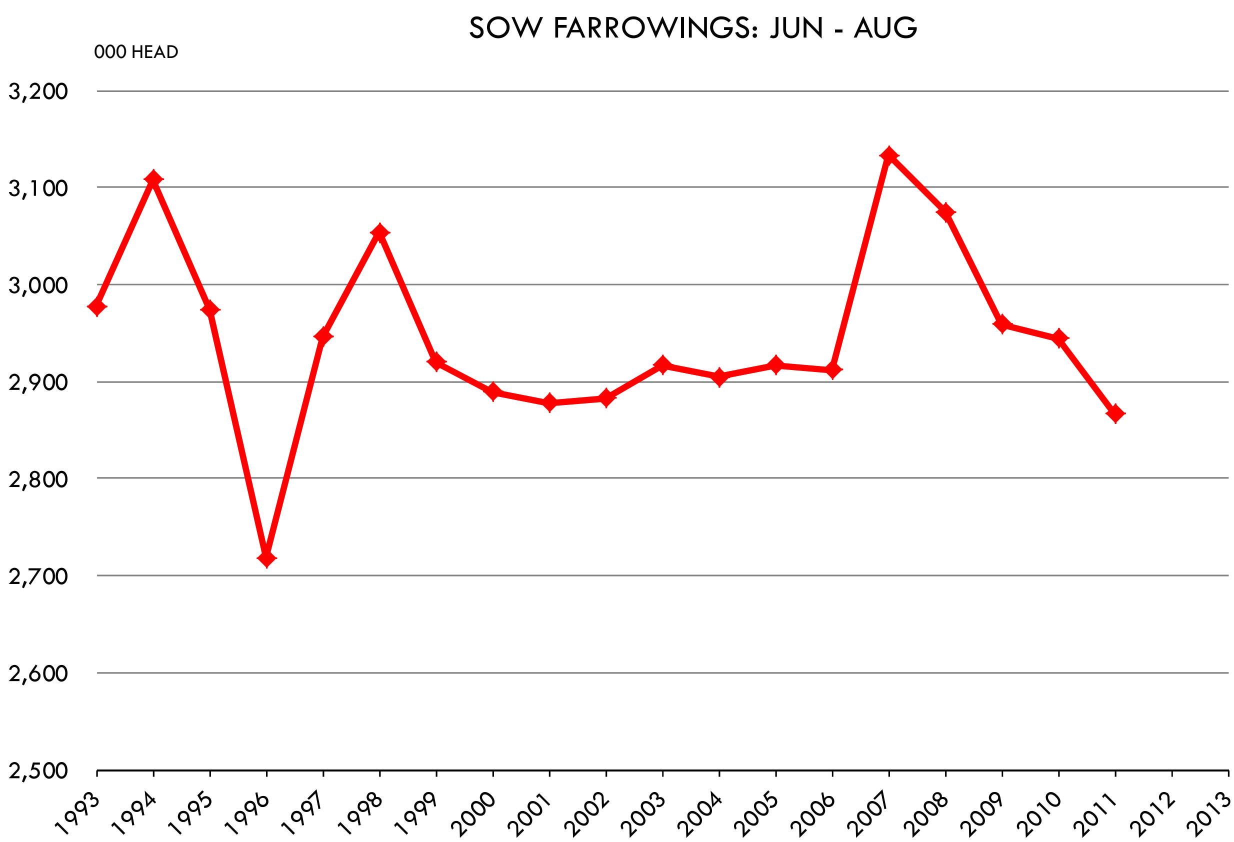

SEPTEMBER 1 INVENTORIES: 180 POUNDS AND OVER
000 HEAD
11,400
11,200
11,000
10,800
10,600
10,400
10,200
10,000
5 - YEAR AVERAGE
2009
2010
2011


SEPTEMBER 1 INVENTORIES: 180 POUNDS AND OVER
000 HEAD
11,500
11,000
10,500
10,000
9,500
9,000
8,500
8,000
7,500
7,000
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013


SOW FARROWINGS: MAR - MAY
000 HEAD
3,050
3,000
2,950
2,900
2,850
2,800
5 - YEAR AVERAGE
2009
2010
2011


SOW FARROWINGS: MAR - MAY
000 HEAD
3,500
3,400
3,300
3,200
3,100
3,000
2,900
2,800
2,700
2,600
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013


SOW FARROWINGS: JUN - AUG
000 HEAD
3,050
3,000
2,950
2,900
2,850
2,800
2,750
5 - YEAR AVERAGE
2009
2010
2011


SOW FARROWINGS: JUN - AUG
000 HEAD
3,200
3,100
3,000
2,900
2,800
2,700
2,600
2,500
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
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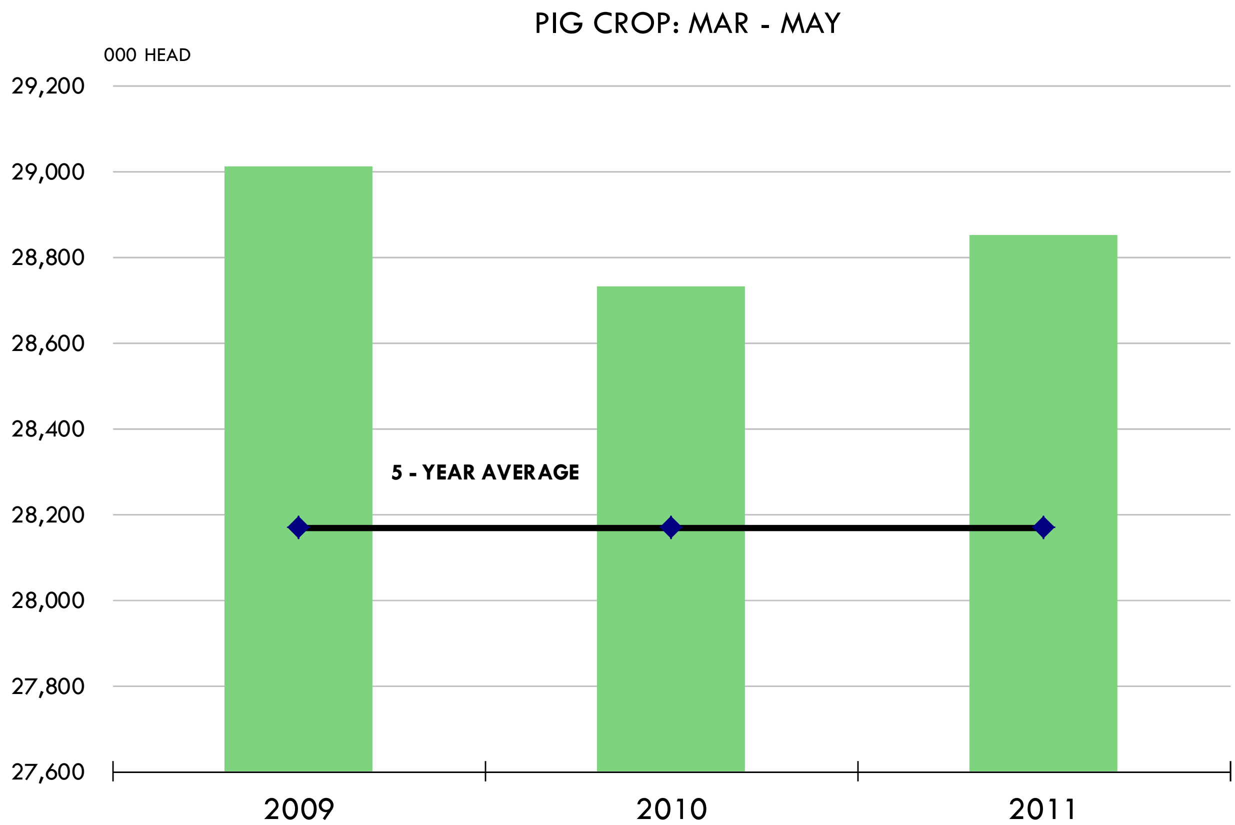
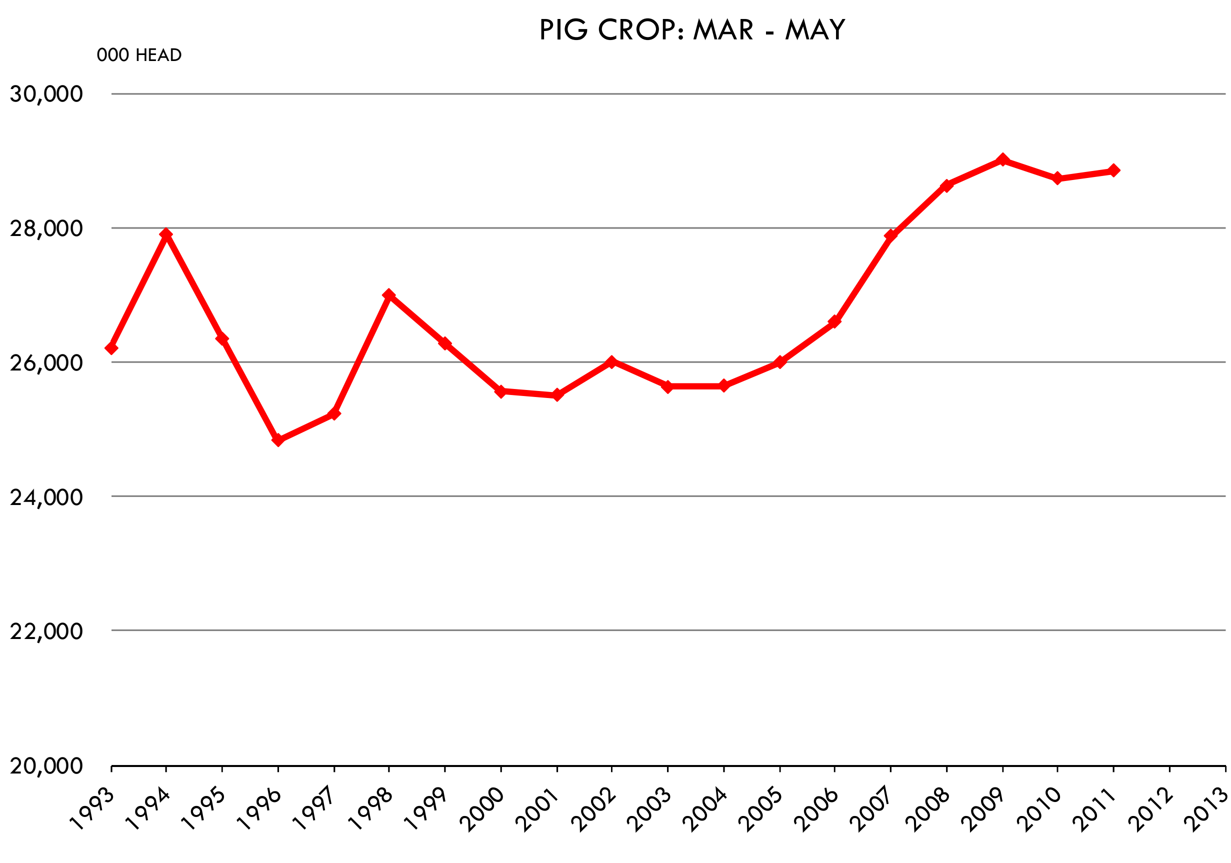
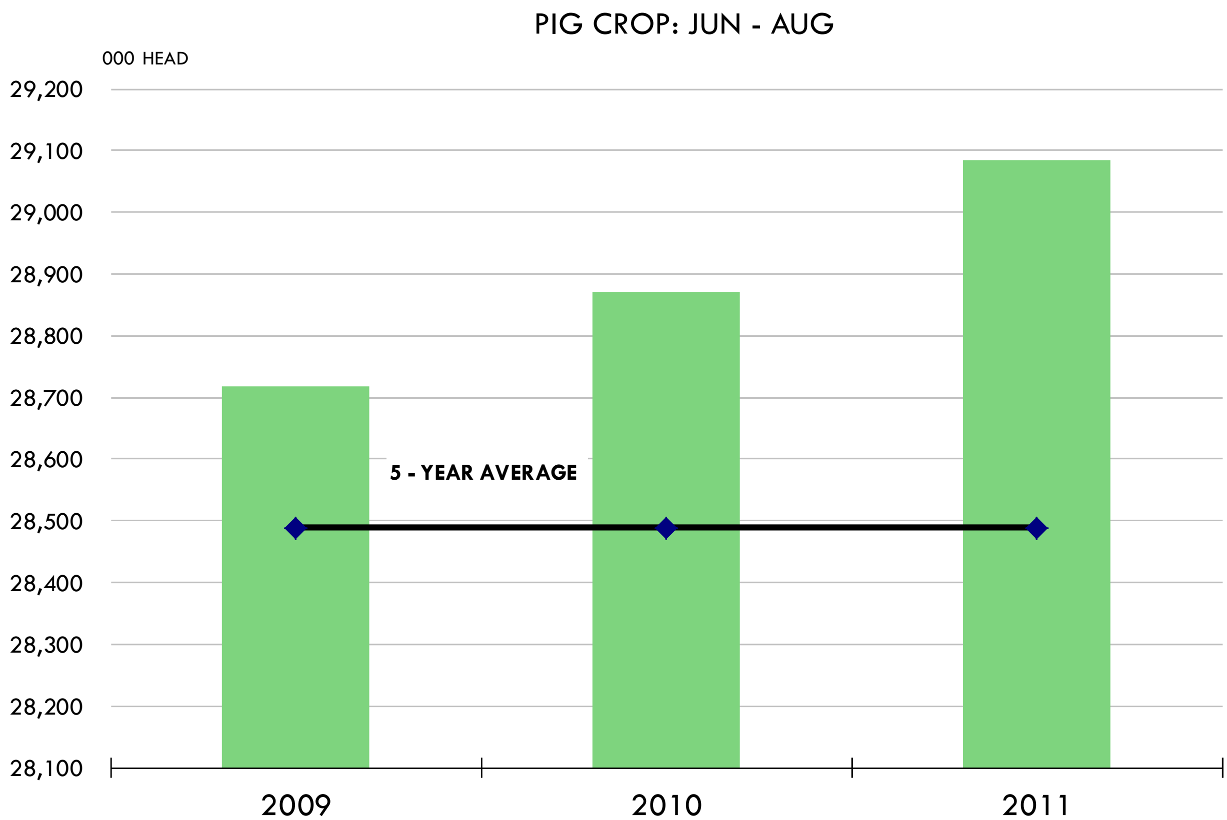
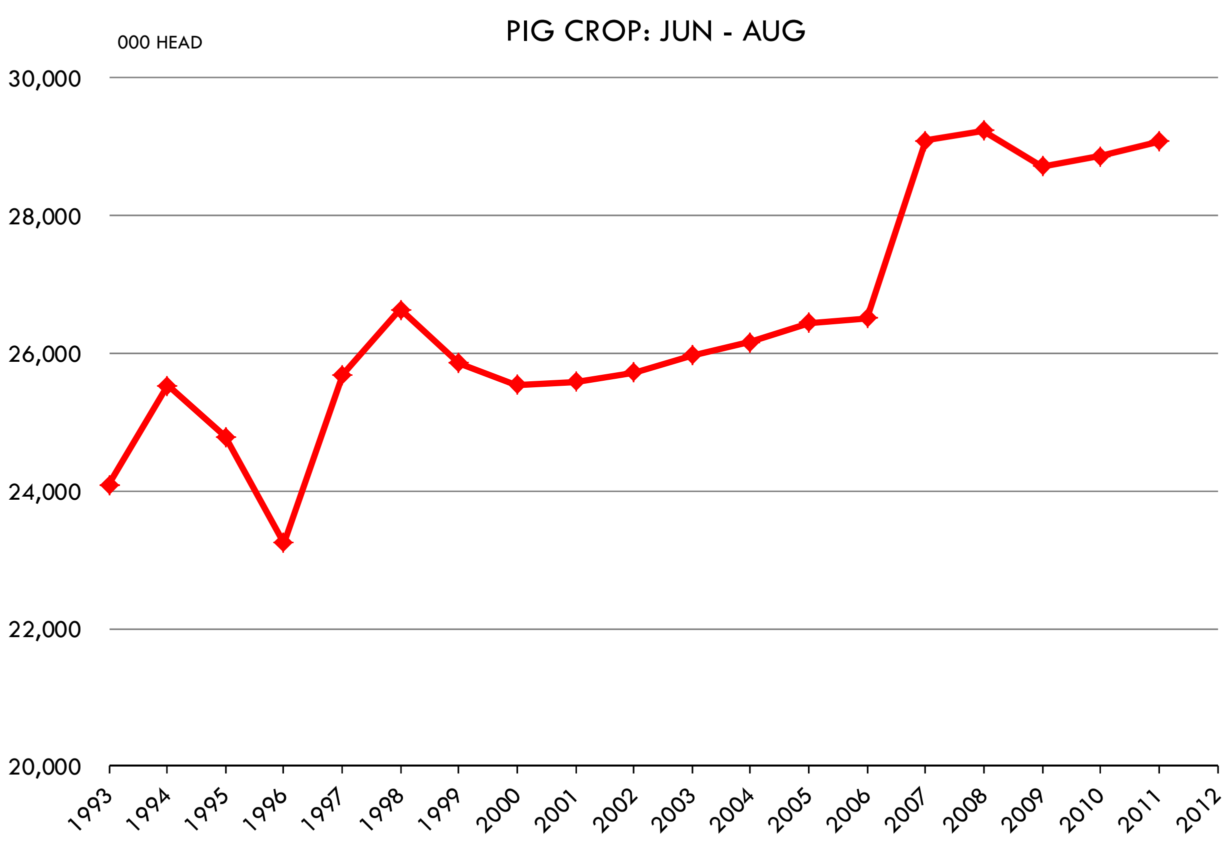
2006
2007
2008
2009
2010
2011
2012
2013


PIG CROP: MAR - MAY
000 HEAD
29,200
29,000
28,800
28,600
28,400
28,200
28,000
27,800
27,600
5 - YEAR AVERAGE
2009
2010
2011


PIG CROP: MAR - MAY
000 HEAD
30,000
28,000
26,000
24,000
22,000
20,000
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013


PIG CROP: JUN - AUG
000 HEAD
29,200
29,100
29,000
28,900
28,800
28,700
28,600
28,500
28,400
28,300
28,200
28,100
5 - YEAR AVERAGE
2009
2010
2011


PIG CROP: JUN - AUG
000 HEAD
30,000
28,000
26,000
24,000
22,000
20,000
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012