



Agricultural Marketing Service

Through comprehensive market surveys, case studies, and research partnerships, AMS provides insight into direct-marketing trends and emerging food system models.

A User's Guide to USDA's LMR Pork Reports

History of Livestock Mandatory Reporting

Livestock Mandatory Reporting (LMR) began in 2001 after the passage of the Livestock Mandatory Reporting Act of 1999 (1999 Act). The 1999 Act made the reporting of prices, quantities, and some characteristics of cattle, hogs, and lambs mandatory for packers meeting reporting thresholds. It also included provisions for the mandatory reporting of prices and quantities of wholesale beef and lamb/mutton products, but not for pork. The reason was simple: beef and lamb producers and packers agreed to include their species while pork producers and packers did not.

Congress would not include provisions that were not agreed upon by all parties. When the 1999 Act came up for reauthorization in 2010, the economic environment and attitudes of pork industry participants had changed. All agreed to include wholesale pork reporting in the 2010 reauthorization. On September 27, 2010, the Mandatory Price Reporting Act of 2010 (2010 Act) reauthorized LMR through September 30, 2015, added mandatory reporting of wholesale pork cuts, and included a provision to establish a negotiated rulemaking committee to develop the rules to implement wholesale pork price reporting.

USDA's Agricultural Marketing Service (AMS) published a final rule on August 22, 2012, and mandatory price reporting for wholesale pork began on January 7, 2013.

LMRPorkReports

AMS publishes 4 daily and 8 weekly pork reports containing LMR data. See Figure 1. Note that FOB plant prices are as reported by the packers at their dock before any freight or other transportation costs are added. FOB Omaha prices include a freight adjustment based on the distance from the reporting plant to Omaha, Nebraska. USDA updates a matrix of transportation costs annually and packers apply the provided differentials to their FOB plant prices to arrive at FOB Omaha values. The vast majority of the pork trade uses FOB plant prices for formulas and analyses.

An example of a primal and its sub-primals would be the loin and sub-primals boneless loin and backribs. The process that USDA uses to compute primal values from sub-primal values and the cutout value from primal values is discussed in detail in the "A User's Guide to USDA's Pork Carcass Cutout."

WholsRequiredto Report?

Packers are required to report the prices and quantities of all wholesale pork sold prior to the established reporting times to USDA twice daily.

KeyDefinitions

Reporting day - A day on which a packer conducts business regarding livestock committed to the packer, or livestock purchased, sold, or slaughtered by the packer; the Secretary is required to make such information available to the public; and USDA is open to conduct business.

Negotiated sale - Sale of wholesale pork by a packer to a buyer where the price is determined by seller-buyer interaction and agreement, and scheduled for delivery not later than 14 days for boxed product and 10 days for combo product after the date of agreement. The day after the seller-buyer agreement is considered day one for reporting delivery periods.

Primals and sub-primals

Primals are the large sections of a hog carcass as pictured in Figure 2. These large sections represent the initial separation of the pork carcass as it comes out of the cooler and into a packer's fabrication facility. Primal values in market reports represent the value of the individual sections at the time they are separated, although very few sections are sold in that exact form. USDA determines primal values using the value of sub-primals that are sold to retailers and foodservice establishments.

FIGURE 1 – USDA LMR Pork Reports

Daily Pork LMR Reports (Negotiated Sales)

- LM_PK600 National Daily Pork Report FOB Plant: Morning
- LM_PK602 National Daily Pork Report FOB Plant: Afternoon
- LM_PK601 National Daily Pork Report FOB Omaha: Morning
- LM_PK603 National Daily Pork Report FOB Omaha: Afternoon

Weekly Pork LMR Reports

- LM_PK610 National Weekly Pork Report FOB Plant: Negotiated Sales
- LM_PK620 National Weekly Pork Report FOB Plant: Formula Sales
- LM_PK630 National Weekly Pork Report FOB Plant: Forward Sales
- LM_PK640 National Weekly Pork Report FOB Plant: Export Sales
- 611, 621, 631 and 641 are equivalent to the above but FOB Omaha

Forward sale - an agreement for the sale of pork where the delivery is beyond the timeframe of a “negotiated sale” and means a sale by a packer selling wholesale pork to a buyer of wholesale pork under which the price is determined by seller-buyer interaction and agreement.

Formula marketing arrangement - an agreement for the sale of pork under which the price is established in reference to publicly-available quoted prices.

Packer - Any person engaged in the business of buying swine in commerce for purposes of slaughter, of manufacturing or preparing meats or meat food products from swine for sale or shipment in commerce, or of marketing meats or meat food products from swine in an unmanufactured form acting as a wholesale broker, dealer, or distributor in commerce. For any calendar year, the term “packer” includes only a federally inspected swine processing plant that slaughtered an average of 100,000 head of swine per year during the immediately preceding 5 calendar years and a person that slaughtered an average of 200,000 head of sows, boars, or combination thereof per year during the immediately preceding 5 calendar years. Additionally, in the case of a swine processing plant or person that did not slaughter swine during the immediately preceding 5 calendar years,

it shall be considered a packer if the Secretary determines the processing plant or person should be considered a packer after considering its capacity.

Variety meats - With respect to wholesale pork, variety meats are cut/processing floor items, such as neck bones, tails, skins, feet, hocks, jowls, and backfat.

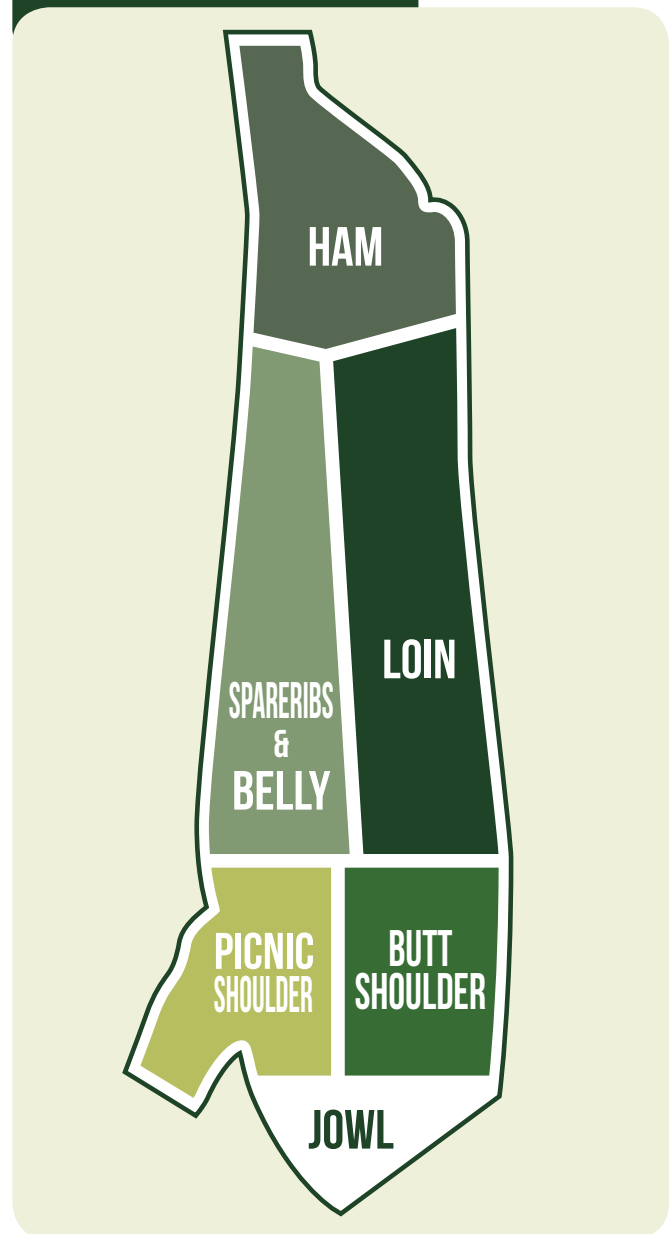
Wholesale pork- Fresh and frozen primals, sub-primals, cuts fabricated from sub-primals, pork trimmings, pork for processing, and variety meats (excluding portion-control cuts, cuts flavored above and beyond normal added ingredients that are used to enhance products, cured, smoked, cooked, and tray packed products). When referring to wholesale pork, added ingredients are used to enhance the product’s performance (e.g. tenderness, juiciness) through adding a solution or emulsion via an injection or immersion process. The ingredients are limited to water, salt, sodium phosphate, antimicrobials, or any other similar combination of foresaid or similar ingredients and in accordance with established USDA regulations.

LMR Pork Report Content

Appendixes A and B show examples of *LM_PK602 National Daily Pork Report FOB Plant – Negotiated Sales – Afternoon* and *LM_PK610 National Weekly Pork Report FOB Plant – Negotiated Sales*.

The Appendixes contain hypothetical data and are meant to illustrate the various parts of the report and their meanings. Other wholesale pork reports follow a very similar format.

FIGURE 2 – Typical Market Pig Today



APPENDIX A: EXAMPLE OF LM_PK602

SAMPLE REPORT

Sales by a packer under which the price is determined by sell-buyer interaction and agreement on a delivery day not more than 14 days in the future.

LM_PK602
Des Moines, Iowa

Thu, Jan 12, 2017

USDA Market News

1 Load = 40,000 lbs. Number of loads of pork and meat cuts sold.

NATIONAL DAILY PORK REPORT FOB PLANT - Negotiated Sales - Afternoon

Number of loads of trimmed and processed pork sold.

Loads PORK CUTS : 190.01
Loads TRIM/PROCESS PORK: 33.14

Portions of the carcass as they are initially separated during fabrication.

USDA ESTIMATED PORK CUT-OUT VALUES - as of 2:00pm

Based on negotiated prices and volume of pork cuts to be delivered within 14 days and on average industry cutting yields.

Values reflect U.S. dollars per 100 pounds. Calculations for 205 lb Pork Carcass. 53-54% lean, 0.65"-0.80" BF Last Rib

An estimate of the value of a pork carcass based on current wholesale prices paid for sub-primal pork cuts.

Today's Estimated Primal Cutout

Date	Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
01/12/2017	223.16	79.37	80.89	90.83	56.43	116.73	56.51	128.07
Change:		-1.31	-1.95	-3.85	-0.28	-1.62	-2.73	2.22
01/11/2017	352.44	80.68	82.84	94.68	56.71	118.35	59.24	125.85
01/10/2017	362.08	78.22	81.26	94.84	57.22	116.44	52.87	122.21
01/09/2017	272.24	79.86	81.55	94.60	58.66	115.56	58.23	123.44
01/06/2017	264.43	79.01	80.62	92.50	56.18	114.51	59.51	119.48
Five Day Average		79.43	81.43	93.49	57.04	116.32	57.27	123.81

Difference in price from the previous day, in dollars/cwt.

Data from the past 4 days.

Sub-primal cuts derived from the loin primal.

Loin	Pounds	Price Range	Wtd Avg
1/4 Trimmed Loin VAC	314,120	85.82 - 103.93	92.09
1/4 Trimmed Loin VAC, FZN	14,915	81.00 - 95.00	84.26
1/4 Trimmed Loin Paper		-	
1/4 Trimmed Loin Paper, FZN		-	
1/4 Trimmed Loin Combo	184,575	75.00 - 80.75	76.34

Sub-primal cuts derived from the butt (shoulder).

Butt	Pounds	Price Range	Wtd Avg
1/4 Trim Butt VAC	584,425	86.80 - 120.93	100.41
1/4 Trim Butt VAC, FZN		-	
1/4 Trim Butt Paper	14,098	114.95 - 123.96	117.99
1/4 Trim Butt Paper, FZN		-	
1/4 Trim Butt Combo	44,137	88.75 - 102.96	98.36

Sub-primal cuts derived from the picnic (shoulder).

Picnic	Pounds	Price Range	Wtd Avg
RS Smoker Trim Picnic Combo	279,196	52.91 - 94.00	54.44
SS Smoker Trim Picnic VAC	91,707	60.95 - 101.50	75.40
SS Smoker Trim Picnic VAC, FZN		-	
SS Smoker Trim Picnic Paper/Poly	19,060	78.95 - 114.25	87.46

Sub-primal cuts derived from the sparerib.

Sparerib	Pounds	Price Range	Wtd Avg
Trmd Sparerib - LGT	136,384	112.00 - 144.33	129.52
Trmd Sparerib - LGT, FZN	42,282	121.00 - 136.30	121.79
Trmd Sparerib - LGT, Poly	5,777	126.96 - 148.50	133.69

Sub-primal cuts derived from the ham.

Ham	Pounds	Price Range	Wtd Avg
17/dn Ham Combo		-	
17-20# Trmd Selected Ham		-	
20-23# Trmd Selected Ham	226,344	49.69 - 57.51	52.92
23-27# Trmd Selected Ham	649,948	47.04 - 57.00	50.52

Sub-primal cuts derived from the belly.

Belly	Pounds	Price Range	Wtd Avg
Derind Belly 7-9#		-	
Derind Belly 9-13#	31,601	167.09 - 184.00	181.57
Derind Belly 9-13# Boxed	21,719	232.62 - 280.00	236.45

*To find further explanation of the Pork Cutout, please refer to the Daily Pork Reports page at ams.usda.gov and "A User's Guide to USDA's Pork Carcass Cutout."

APPENDIX B: EXAMPLE OF LM_PK610

SAMPLE REPORT

Sales by a packer under which the price is determined by sell-buyer interaction and agreement on a delivery day not more than 14 days in the future.

LM_PK610

Des Moines, Iowa

Mon, Nov 07, 2016

USDA Market News

Portions of the carcass as they are initially separated during fabrication.

NATIONAL WEEKLY PORK REPORT FOB Plant - Negotiated Sales

An estimate of the value of a pork carcass based on current wholesale prices paid for sub-primal pork cuts.

USDA ESTIMATED PORK CARCASS CUTOUT

Based on negotiated prices and volume of pork cuts delivered within 0-14 days and on average industry cutting yields. Values reflect U.S. dollars per 100 pounds. Calculations for a 205 lb Pork Carcass. 53-54% lean, 0.65" - 0.80" BF last rib

Price of primals, dollars/cwt.

Weekly Estimated Primal Cutout

Difference in price from the previous report, in dollars/cwt.

Weekly Average Loads	Carcass	Loin	Butt	Pic	Rib	Ham	Belly
11/04/2016	73.56	69.25	79.25	56.35	107.59	64.19	109.13
Change:	0.41	-2.73	1.55	-1.20	-1.96	7.00	-1.82

Free on Board at the plant, price does not include freight costs for shipment by the seller to the buyer at the plant.

Total Load Count (Cuts, Trimmings, Processed): 1,559.40

1 Load = 40,000 pounds. Number of loads of sub-primal cuts.

Negotiated Weekly Pork Cuts - Negotiated Sales FOB Plant

Current Volume - (one load equals 40,000)

Loin	479.23 loads	19,169,398 pounds
Butt	256.19 loads	10,247,688 pounds
Picnic	148.05 loads	5,922,121 pounds
Rib	141.08 loads	5,643,347 pounds
Ham	140.28 loads	5,611,302 pounds
Belly	85.46 loads	3,418,208 pounds
Trimmings	179.95 loads	7,197,937 pounds
Variety	83.99 loads	3,359,447 pounds
Added ingred	53.37 loads	2,134,741 pounds

1,000 pounds.

Loin	Kilopounds	Price Range	Wtd Avg
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Sub-primal cuts derived from the loin primal.

1/4 Trimmed Loin VAC	3,617	72.30 - 100.11	80.09
1/4 Trimmed Loin VAC, FZN	92	71.00 - 90.00	77.36
1/4 Trimmed Loin Paper		-	
1/4 Trimmed Loin Paper, FZN		-	
1/4 Trimmed Loin Combo	932	73.00 - 83.22	74.59

Sub-primal cuts derived from the butt (shoulder).

Butt			
1/4 Trim Butt VAC	4,322	78.00 - 105.00	87.85
1/4 Trim Butt VAC, FZN	94	72.00 - 104.60	101.97
1/4 Trim Butt Paper	141	94.95 - 114.95	102.21

Sub-primal cuts derived from the picnic (shoulder).

Picnic			
RS Smoker Trim Picnic Combo	183	53.09 - 95.47	70.80
SS Smoker Trim Picnic VAC	1,398	70.00 - 101.00	82.04
SS Smoker Trim Picnic VAC, FZN		-	
SS Smoker Trim Picnic Paper/Poly	140	65.50 - 107.38	94.22

Sub-primal cuts derived from the sparerib.

Sparerib			
Trmd Sparerib - LGT	1,340	108.00 - 137.95	119.05
Trmd Sparerib - LGT, FZN	49	100.00 - 128.30	114.12
Trmd Sparerib - LGT, Poly	35	123.50 - 148.50	131.77
Trmd Sparerib - LGT, Poly, FZN	32	102.69 - 145.00	116.32

Sub-primal cuts derived from the belly.

Belly			
Derind Belly 7-9#	138	164.49 - 174.00	167.90
Derind Belly 9-13#	195	155.40 - 185.37	167.82
Derind Belly 7-9# Boxed, FZN	83	121.50 - 149.00	135.30

*To find further explanation of the Pork Cutout, please refer to the Daily Pork Reports page at ams.usda.gov