



USDA Market Reports

A Producer Perspective

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Meet Scott

- Vice President of the National Pork Producers Council
- A 5th generation pork producer from Monroe City, MO
 - Two-Mile pork is a family operation
 - Growing up, Uncle Pat handled the marketing



Markets – A Look Back

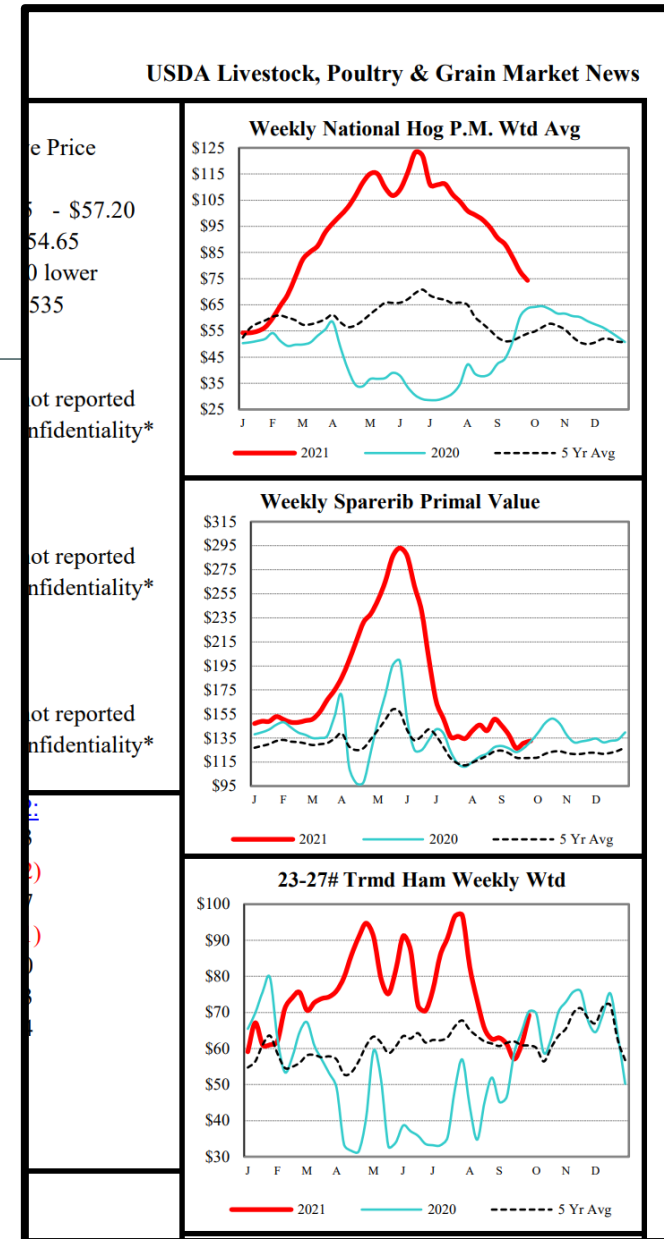
- Daily Markets
 - Given on the radio
 - Charted by hand
- Marketed Pigs
 - Cash sales
 - Day of delivery
- Inefficiencies were high

Today's Markets Have:

- ✓ Longer-term agreements
- ✓ Individual carcass data
 - Monitoring weights
 - Adjusting load count
- ✓ Formula prices tied to:
 - CME index
 - Cutout report 602
 - Cash market/western cornbelt 212
 - CME futures
 - Cash sales
- ✓ More Efficiencies
 - Labor
 - Transportation
 - Scheduling

USDA Reports

- National daily hog and pork summary
- Daily Routine?
 - “Hit” refresh at 4:00
 - Enter data into a spreadsheet
 - Pull CME index to same spreadsheet
 - Reference charts on daily summary reporting site
- Spreadsheet figures daily price paid by packer and allows “what if” scenarios when negotiating packer agreements



USDA Reports

- Other reports referenced include:
 - Weaned feeder pig report - LS255
 - Afternoon live hog report - HG217
 - Cull sow/boar report - HG234

Where We Are Today...

- Finding and charting data is simpler than it was during Uncle Pat's day, BUT...marketing hasn't gotten any easier
 - The accurate information provided by these reports is key

NPPC Competitive Markets Committee Request on LMR

- Goal? To enhance report clarity and accuracy. Specific requests included:
 - ✓ Splitting the swine and pork market formula
 - Will provide a better understanding of cut-out price
 - ✓ Pulling out the non-carcass merit premium
 - Will become more important as more markets like that established due to Prop. 12 develop

In Summary...

- As more hedging tools become available, like the Livestock Revenue Protection (LRP) tool and CME cut-out contract develop, it is important to have the USDA report for our marketing decisions