

THE FACTS BEHIND PORK PRICES



ANIMAL HEALTH & FOOD SAFETY

Animal health and food safety concerns can have a major impact on production and pork prices. Disease outbreaks such as African Swine Fever can force producers to cull livestock. Price is impacted when supplies decrease, but demand can also be influenced by diminished consumer confidence when outbreaks are not contained.



FLUCTUATING FEED COSTS

Feed cost is a major component of the cost of producing pork. The price of feed ingredients can fluctuate based on supply and demand fundamentals, weather, or other factors. As feed costs change, this can have an impact on producers' break-even costs and ultimately the price of pork.



PROTEIN COMPETITION

Beef and chicken compete with pork for consumers' spending. Both markets indirectly impact the price of pork because chicken is less expensive per pound, and consumer demand for beef increases in a strong economy.



PACKER EFFICIENCY

How efficiently packers are able to process their product into wholesale cuts can have an impact on the price of pork. Regardless of supply and demand, packer inefficiencies can cause bottlenecks that can drive pork prices higher.



WEATHER

Extreme weather conditions such as droughts or excessive rainfall can prevent crops or pasture from growing, causing high feed prices. Weather can induce stress, restrict weight gain, and cause infertility in breeding hogs, and drive prices higher.



GLOBAL TRADE POLICY

Roughly one quarter of pork produced in the United States is exported. Trade wars, tariffs, quotas and other trade restrictions can result in higher costs for consumers.



GLOBAL DEMAND

As more of the world's population ascends into the middle class, demand is increasing as people transition from plant-based diets to animal-protein diets. Income increases and economic development have been most prevalent in Asia and Africa, where rising global incomes are increasing the demand for pork.

