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Q3 BIG PICTURE OUTLOOK

SPECIAL REPORT: POULTRY

Is Poultry the Dark Horse of the Protein Industry?

HOSTED BY:

J.S. Ferraro & Company and Retail Ready Foods Inc.

DATE: July 17, 2019

SPECIAL GUEST SPEAKER:



Mark Jordan
Instructor of Agricultural Economics, Arkansas
State University
Executive Director, LEAP Market Analytics

HOSTS:



Dr. Rob Murphy, BS, MS, PhD Agri Economics
Executive Vice President, Research & Analysis
J.S. Ferraro & Company



Kevin Grier
Market Analyst
Kevin Grier Market Analysis & Consulting

Linked by a common thread, integral within a protein based supply chain.

The JSF Group of companies:



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A provider of **innovative risk management solutions**, specializing in meat & livestock.

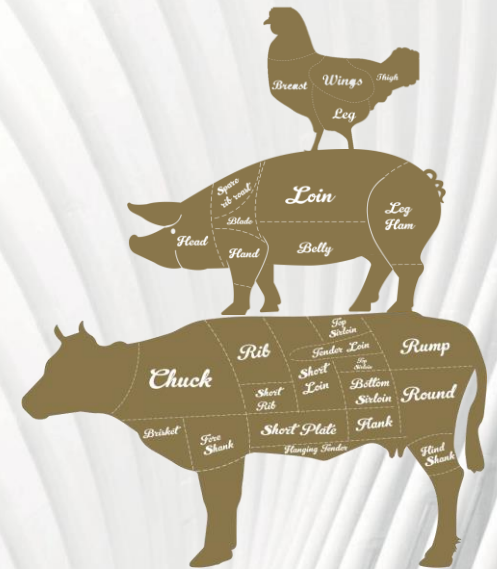


RETAIL READY
Foods Inc.

Retail Ready is your **“Go-To” protein merchandising** & industry expert. Protein expertise at your fingertips.



An integrated sustainable food brand committed to creating the **best-tasting fresh protein** experience.



JSF MARKET INTELLIGENCE SERVICES

We provide members of the meat & livestock industry with complimentary intelligence to make smarter procurement decisions. As part of our service suite, access:



Big Picture Market Outlook: quarterly market outlook webinars featuring prominent North American meat & livestock analysts;



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DISCUSSION OUTLINE:

1. SPECIAL REPORT: POULTRY

- US Market – Situation, Demand & Price Performance
 - Canadian Market
-

2. MARKET OUTLOOK – HOGS & PORK

- US
 - Canada
-

3. MARKET OUTLOOK - CATTLE & BEEF

- US
 - Canada
-

4. Q&A

WEBINAR REMINDERS:

TIMING:



60 min session + 10 min Q&A



All microphones will be muted for the session.

QUESTIONS:



Type questions in the chat box in your ClickMeeting control panel.



Need to drop off early? You can email our panelists directly. (See slide 72).

TECHNICAL DIFFICULTIES:



Use the chat function for help or email us at:
Robin.Dhanju@jsfgroupinc.com

SESSION SLIDES:



Session recording and slide deck will be available 24-48 hours after the session.

CONNECT:



Please feel free to connect/follow us and our speakers on LinkedIn OR Twitter.

MARK JORDAN



 LEAP Market Analytics

Mark Jordan

Instructor of Agricultural Economics at Arkansas State University
Executive Director at LEAP Market Analytics
<https://www.leapmarkets.com/>



Mark Jordan has more than a decade of experience with agricultural commodity markets and is currently an Instructor of Agricultural Economics in the College of Agriculture, Engineering and Technology at Arkansas State University in Jonesboro. His teaching duties include courses in Agricultural Marketing, Agricultural Business Management, Commodity Futures Markets, Livestock and Poultry Economics, and Agricultural Records.

Prior to starting LEAP Market Analytics, Jordan was the Director of Poultry and Egg Services with Informa Economics IEG (formerly Sparks Companies) where he headed up research and analysis of the broiler, turkey, and egg industries. While there, he developed, implemented, and operated IEG's economic forecasting models for each of the three major poultry categories. In addition, Jordan supported research efforts associated with special projects involving livestock and poultry.

Prior to his employment with IEG, Jordan served as an agricultural statistician in the Pennsylvania field office of USDA's National Agricultural Statistics Service where his duties included survey administration and setting commodity production estimates at the state and county level.

He was raised on a small cow-calf and contract broiler operation in rural southeastern Arkansas and remains involved with the family's farm operation. Mr. Jordan received a bachelor's degree in Agricultural Business from Arkansas State University. He also received a master's degree in Agricultural Economics from the University of Arkansas in Fayetteville and was recognized as the Outstanding Graduate Student in the Agricultural Economics and Agribusiness Department for the 2003-04 academic year.

KEVIN GRIER



Kevin Grier

Market Analyst

Kevin Grier Market Analysis & Consulting

www.kevingrier.com



Kevin Grier is a noted Canadian Agriculture & Food Market Analyst providing economic and market outlook for livestock, meat and grocery industries over the last 20+ years. His critical market insight and analysis helps his clients - from government and producer groups to small to large businesses - drive profitable bottom line decisions.

Kevin is a regular contributor and respected expert across media platforms throughout North America - Global News, CTV, National Post, Globe & Mail, National Hog Farmer and Grocery Business. Kevin speaks with clarity on a range of topics including market analysis, economic impacts, consumer trends and commodity analysis. He provides regular commentaries on the market and is a national and international keynote speaker known for his approachable yet pragmatic style.

His breadth of knowledge was developed over 18 years at the George Morris Centre, a leader in economic research in the agriculture and food industry. Prior to that Kevin was a manager with the Ontario Farm Products Marketing Commission, the supervisory body of the provincially regulated marketing boards. Currently, Kevin is managing director of [Kevin Grier Market Analysis and Consulting](#), a company specializing in livestock, meat, poultry and grocery industry market insight and analysis working across a breadth of organizations internationally.

DR. ROB MURPHY



Dr. Rob Murphy, BS, MS, PhD Agri Economics
Executive Vice President, Research and Analysis
J.S. Ferraro & Company
www.jsferraro.com



An agricultural economist and business leader with over 27 years in the industry, Dr. Rob Murphy has a wealth of experience in the North American meat and livestock industries studying, analyzing and predicting market movements. His expertise spans commodity analysis, econometric modelling, forecasting, futures markets, hedging, and risk management.

Rob holds a Ph.D. in Agricultural and Applied Economics from Virginia Tech and has developed his market expertise over the past three decades by serving as an economist with the Chicago Mercantile Exchange, Sparks Companies and Informa Economics.

At Informa, Rob held two senior leadership roles (Senior VP of Livestock, Meat, Dairy and Poultry group and Vice President) over 13 years. He focused on the development of risk management programs and directed the division's work in commodity analysis in the protein sector. He has spoken internationally on many topics, including agri supply chain-development and international protein demand.

Currently, Rob is the Executive Vice President, Research and Analysis at J.S. Ferraro & Co. leading the team in commodity analysis, financial modelling, and the development of trading and risk management strategies.

CHICKENS & POULTRY

- **Situation**
- **Demand**
- **Price Performance**



US BROILER INDUSTRY IS EXPANDING, BUT AT WHAT PACE?

Let's more closely examine individual "growth factors."

Key Factors Supporting Moderate-to-Aggressive Expansion

- Several greenfield projects adding for 2019-20, including new facilities by Mountaire (NC), Sanderson Farms (TX), Tyson (TN), Costco/Lincoln Premium Poultry (NE), Simmons Foods (AR), and Bell & Evans (PA).
- Also numerous plant renovations, with total capacity increase >10%.
- Sense of an "export opportunity" with ASF in China.
- Excellent Q2 profit margins (estimated net returns of +\$0.15 per pound on a ready-to-cook basis).
- Extended run (5+ years) of good to, at times, phenomenal profitability by the industry.

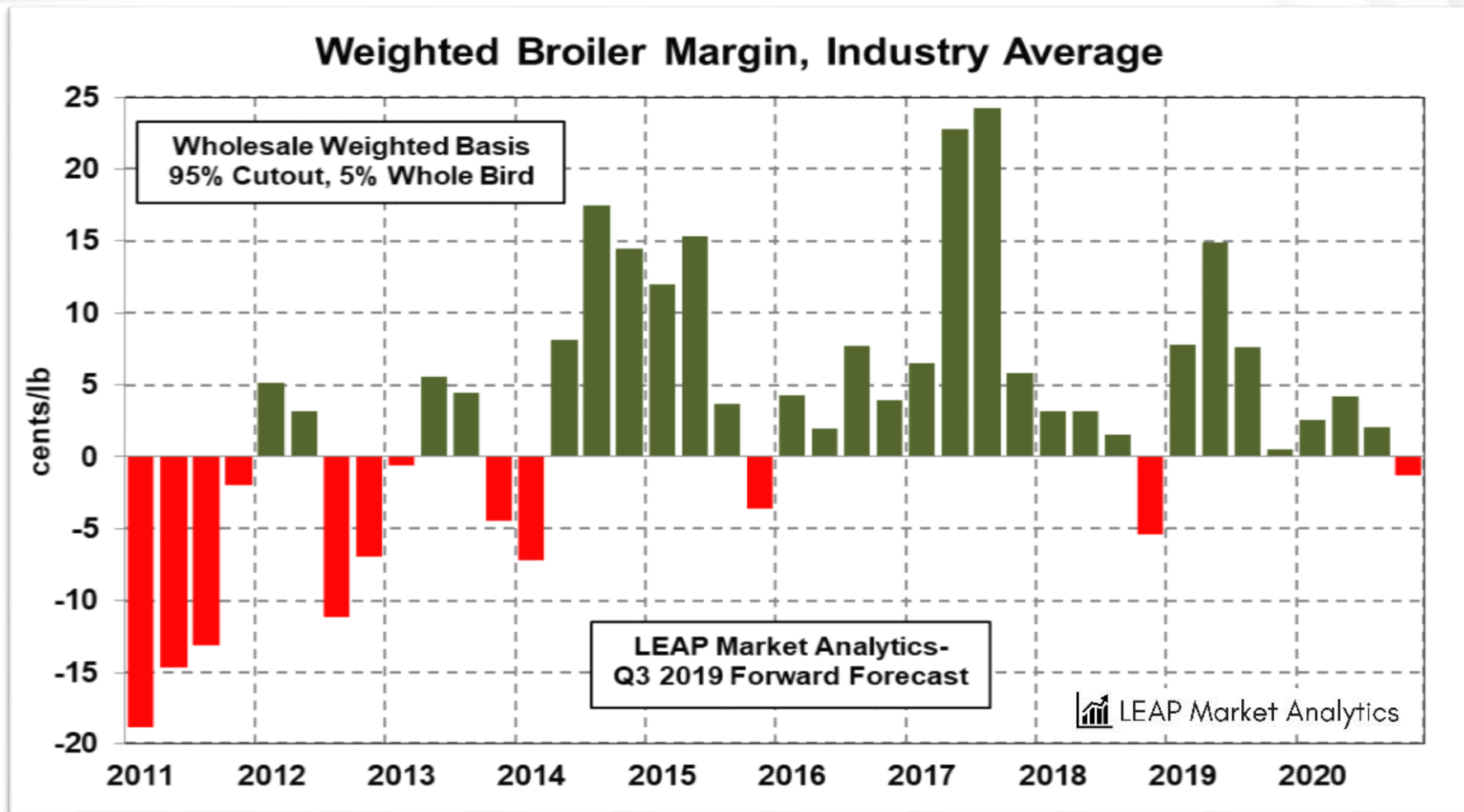
KEY FACTORS SUPPORTING MODEST EXPANSION

- Feed cost (and margin) outlook; corn is bigger concern than soybean meal.
- Restrained breeder flock growth to go along with a rebound in productivity following years of decline.
- Slower path to “full capacity” for new plants today than historically; owing to a more challenging recruitment process (higher cap-ex requirements for growers, tighter lending standards, more rules, etc.)

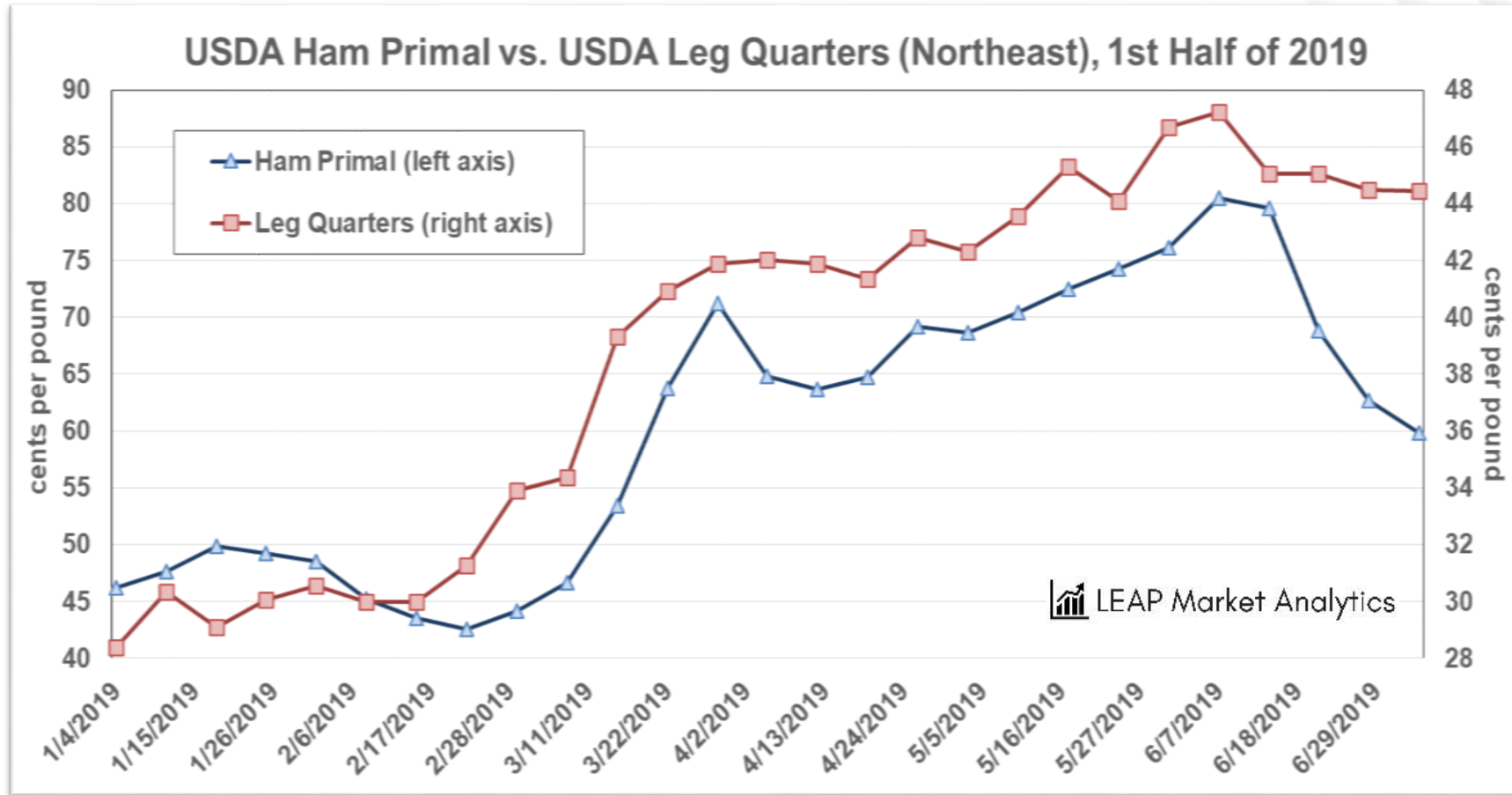
KEY FACTORS THAT ARE NEUTRAL TO GROWTH OR SUPPORT CONTRACTION

- Industry mergers and consolidation (Tyson/Keystone Foods & George's/OMP as recent examples) give individual producers greater control over supply chain.
- Integrators have stricter controls over contract growers than ever before (recent calls for GIPSA oversight have gone nowhere), leading to more timely “adjustments” to bird weights, down-time between flocks, etc.
- Longer-term decline in livability, possibly owing to ABF/NAE adoption.

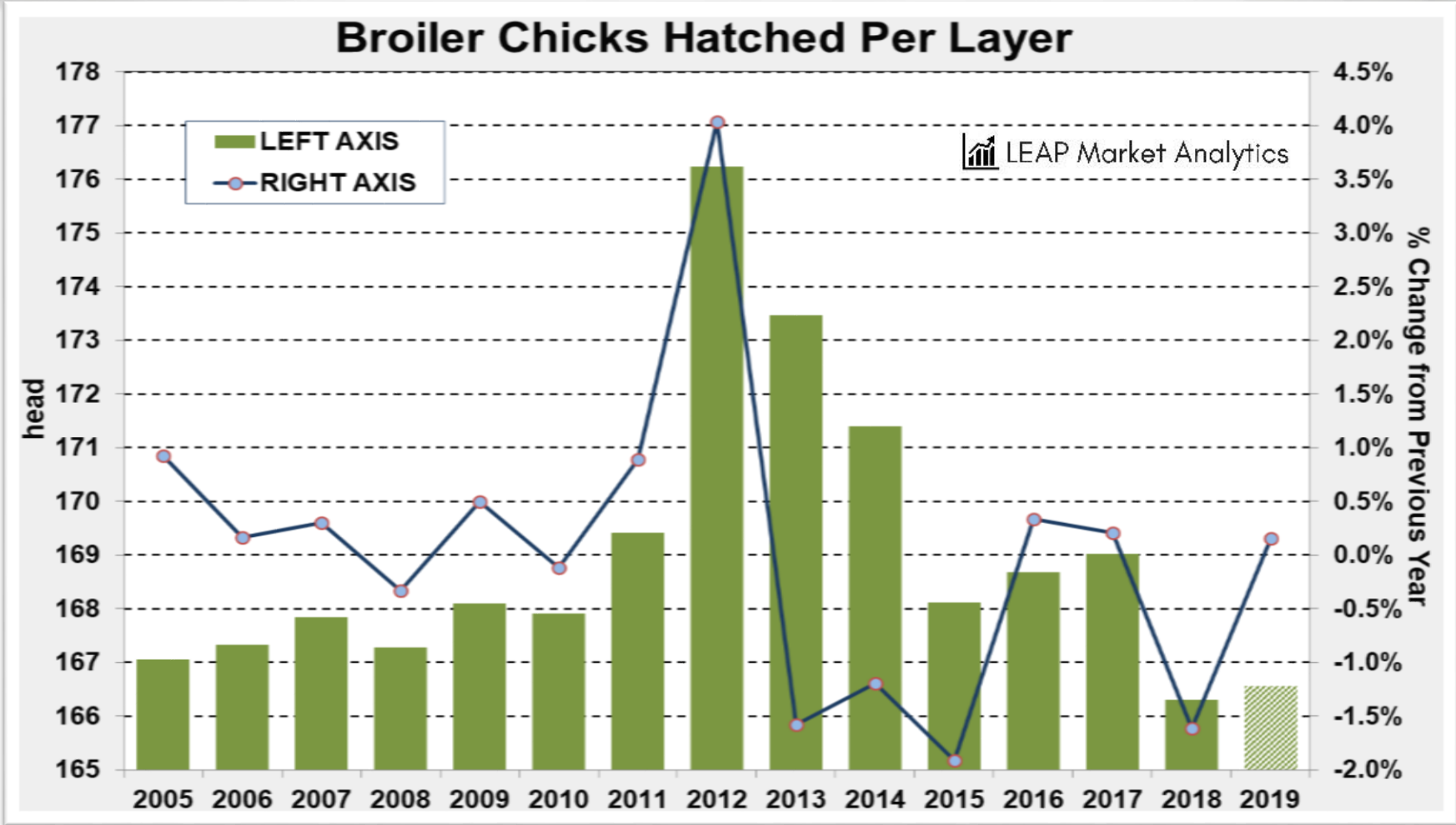
WEIGHTED BROILER MARGIN, INDUSTRY AVERAGE



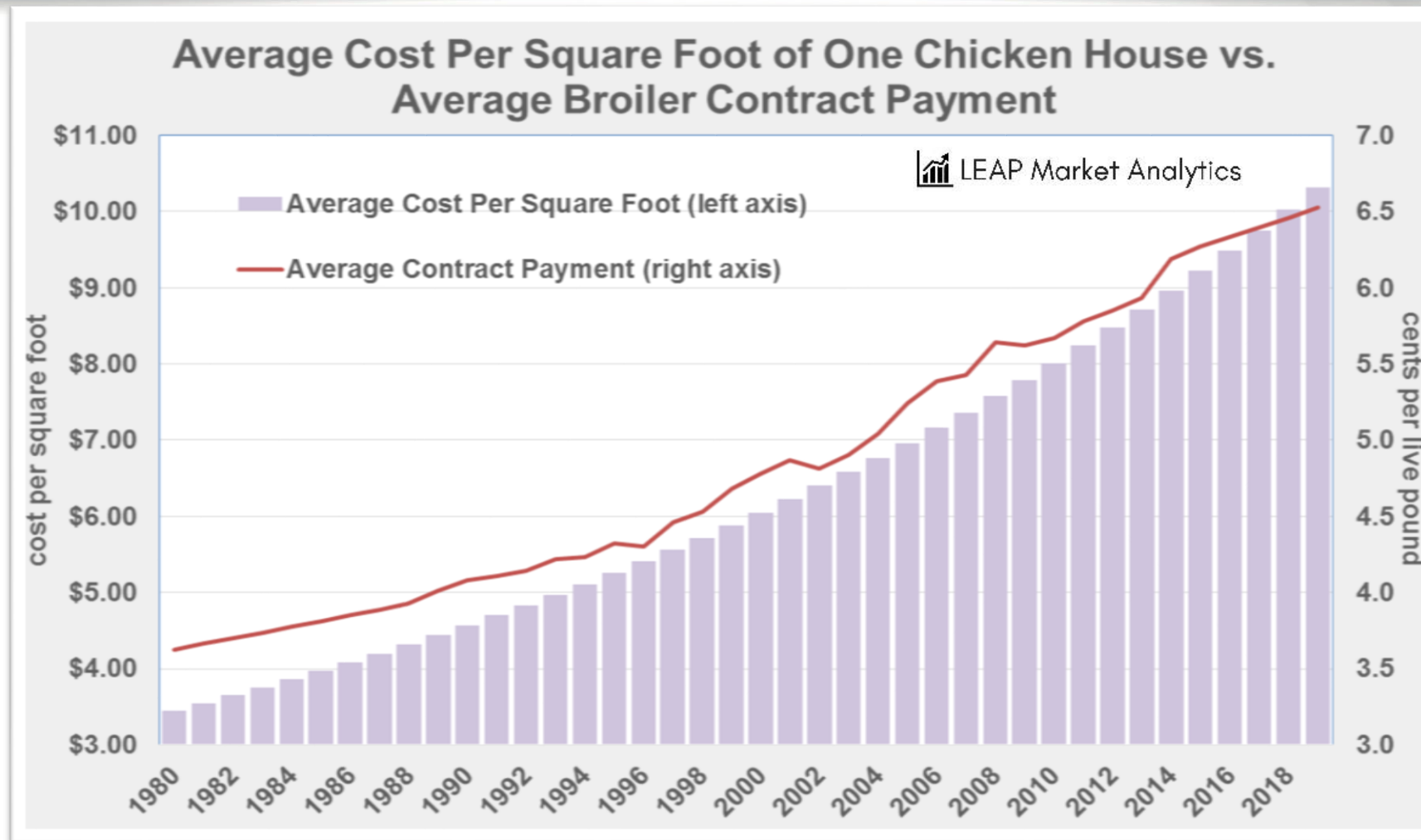
USDA HAM PRIMAL VS. USDA LEG QUARTERS (NORTHEAST), 1st HALF OF 2019



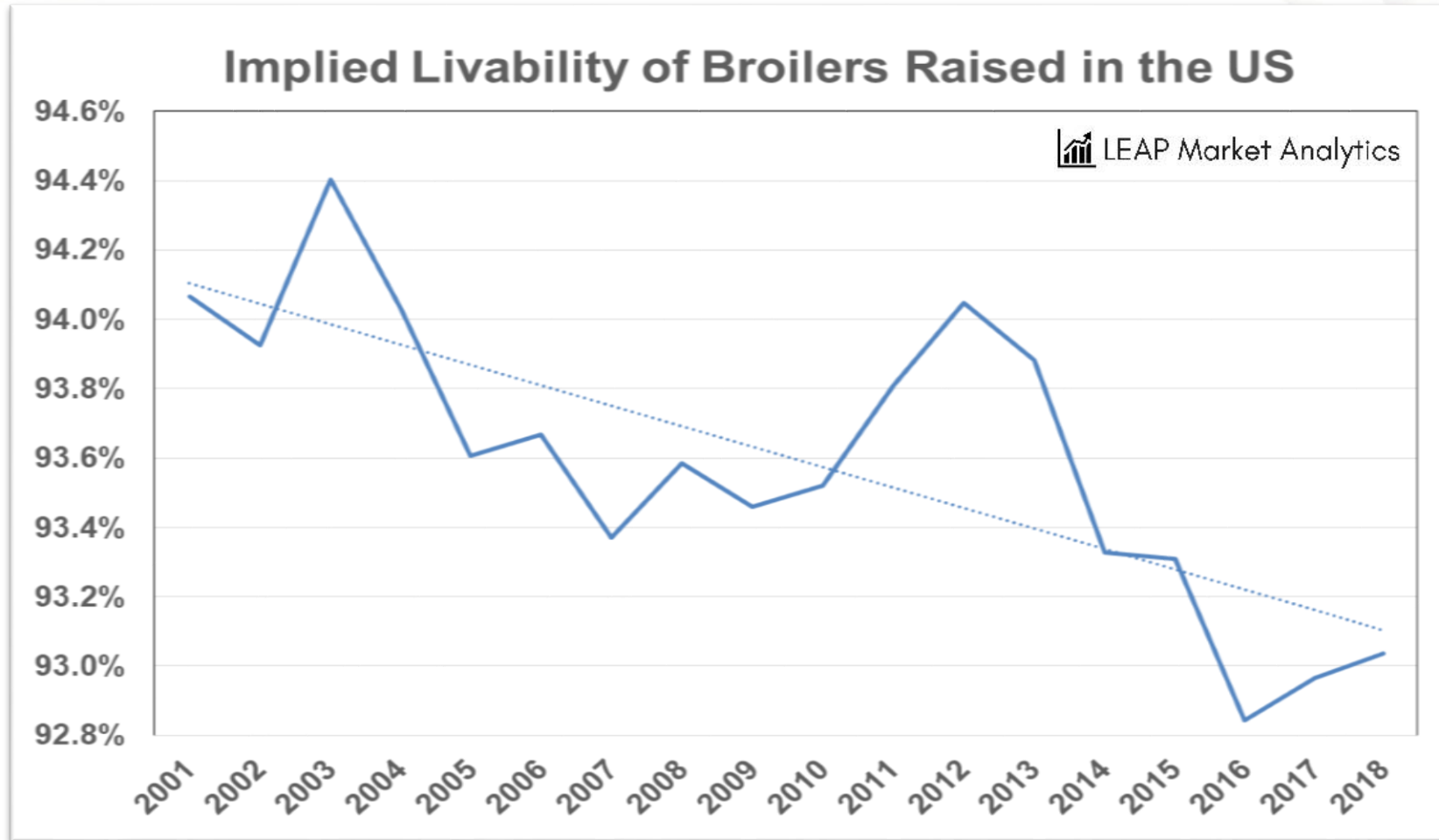
BROILER CHICKS HATCHED PER YEAR



AVERAGE COST PER SQUARE FOOT OF ONE CHICKEN HOUSE VS. AVERAGE BROILER CONTRACT PAYMENT



IMPLIED LIVABILITY OF BROILERS RAISED IN THE USE



WHAT DOES ALL THIS IMPLY FOR BROILER INDUSTRY PRODUCTION TRENDS THE REST OF 2019 AND FOR 2020?

Most likely output increasing at a modest to moderate pace.

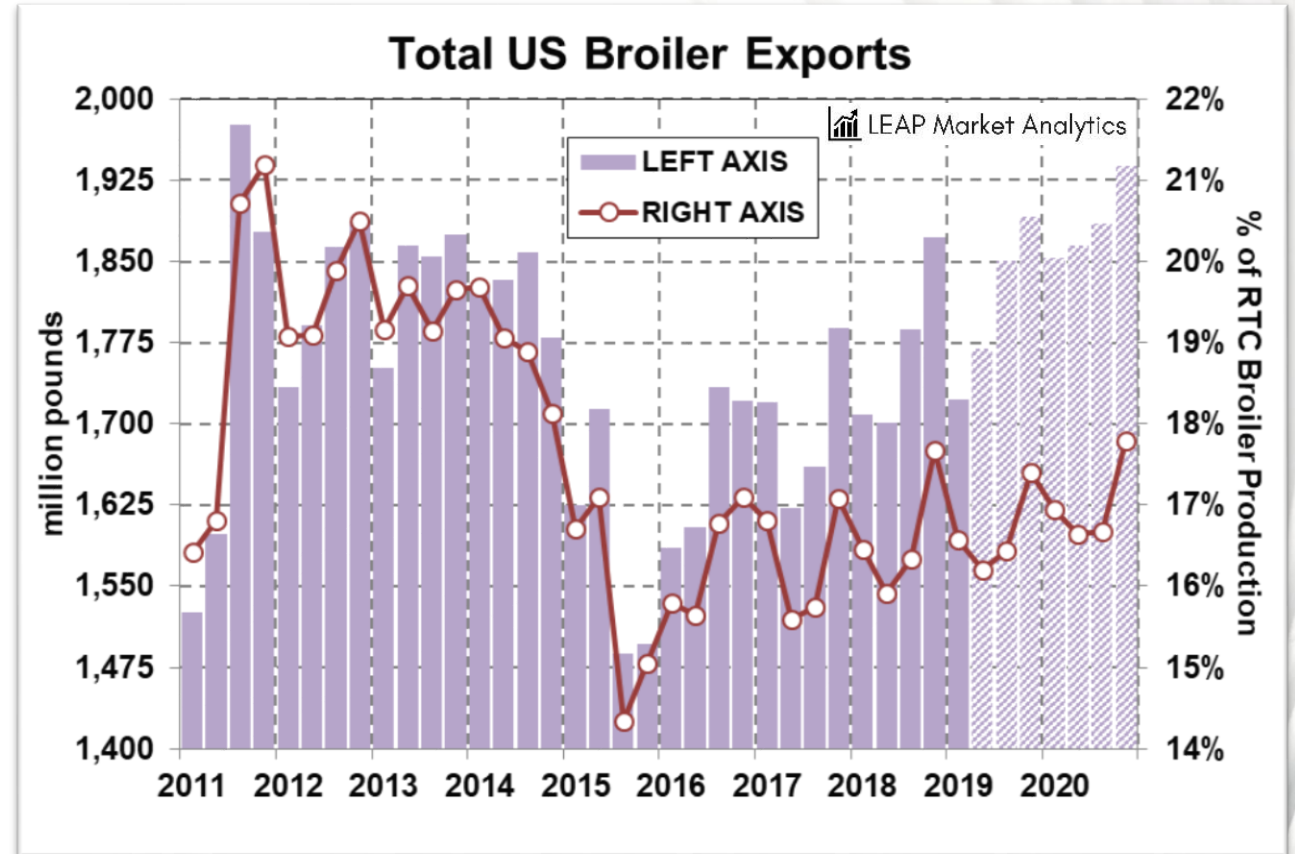
% Change in RTC Broiler Production in the US from Previous Year

 LEAP Market Analytics

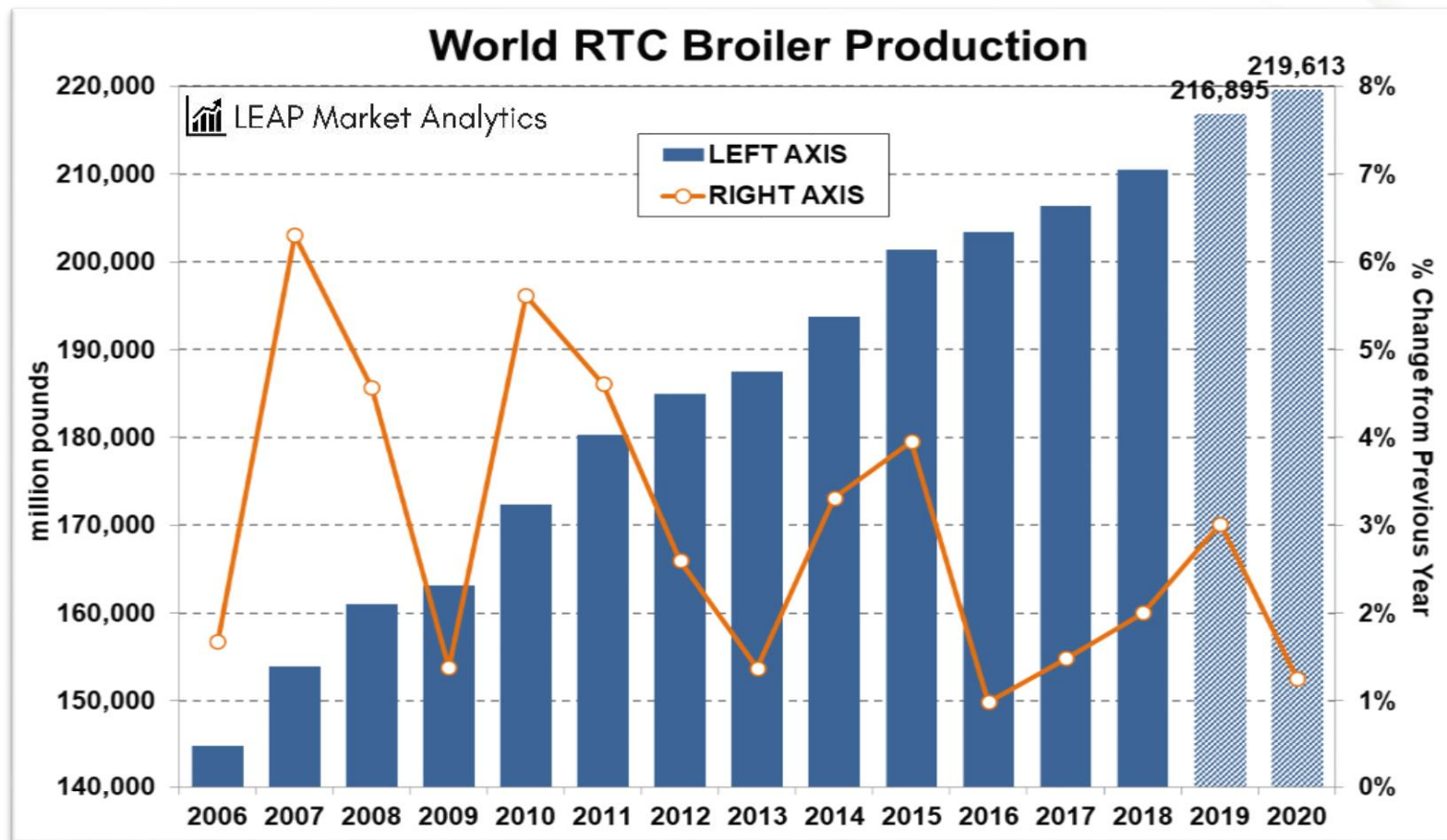
	Q1	Q2	Q3	Q4	ANN
2019	0.0%	2.2%	2.9%	2.6%	1.9%
2020	5.4%	2.6%	0.4%	0.2%	2.1%

TOTAL US BROILER EXPORTS

- Broiler industry has been looking for an export “jolt” for some time.
- Export program hasn’t recovered from losing access to Russia (2014) and trade disruptions from bird flu outbreak (2015).
- CAGR during 10-year period covering 2008-18 was just 0.2%.
- Huge broiler production increases in Russia (+34% over last 5 years), Thailand (+33%), Colombia (+27%), Turkey (+21%), and Mexico (+20%) while Brazil also remains very competitive have limited US export opportunities.

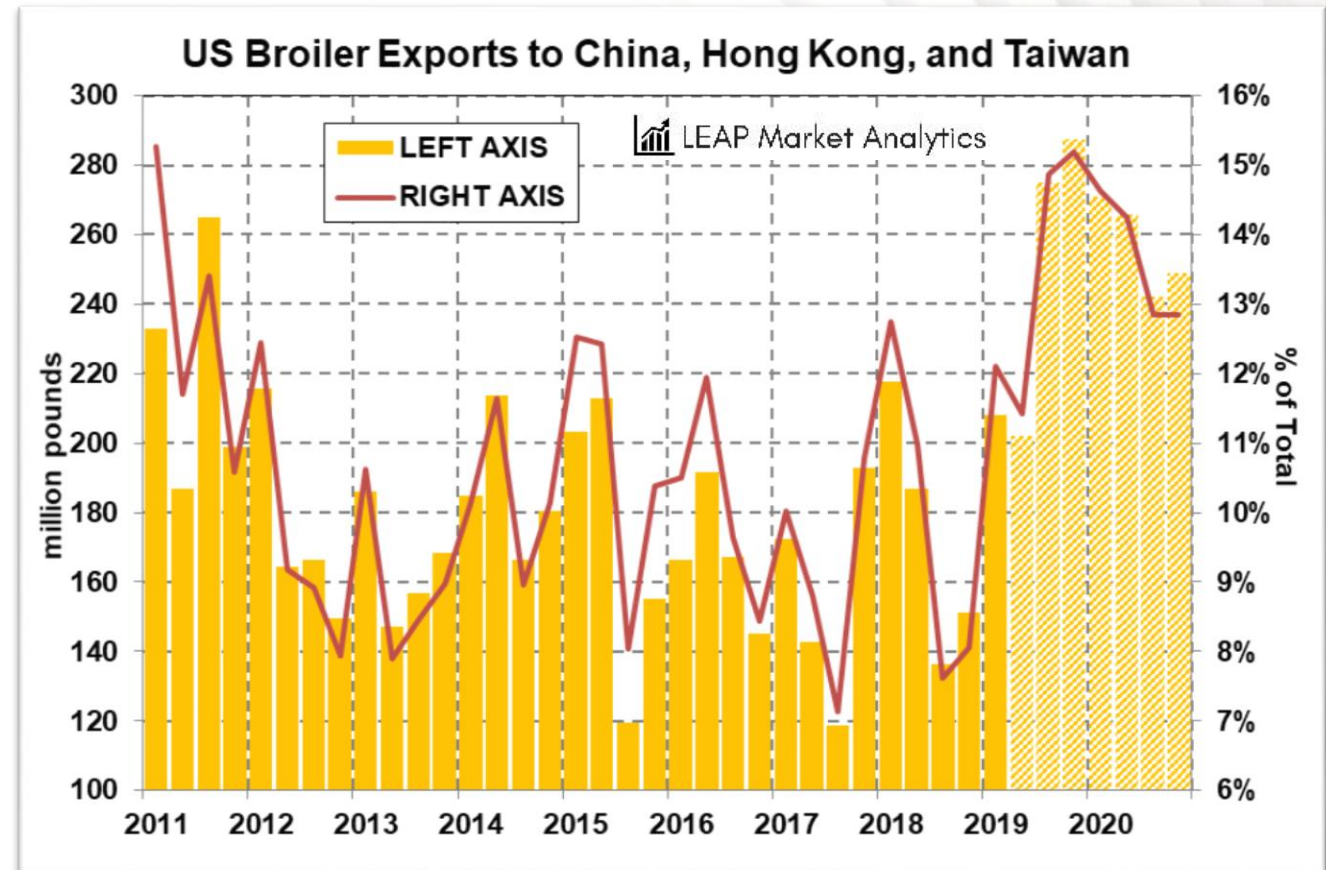


WORLD RTC BROILER PRODUCTIONS



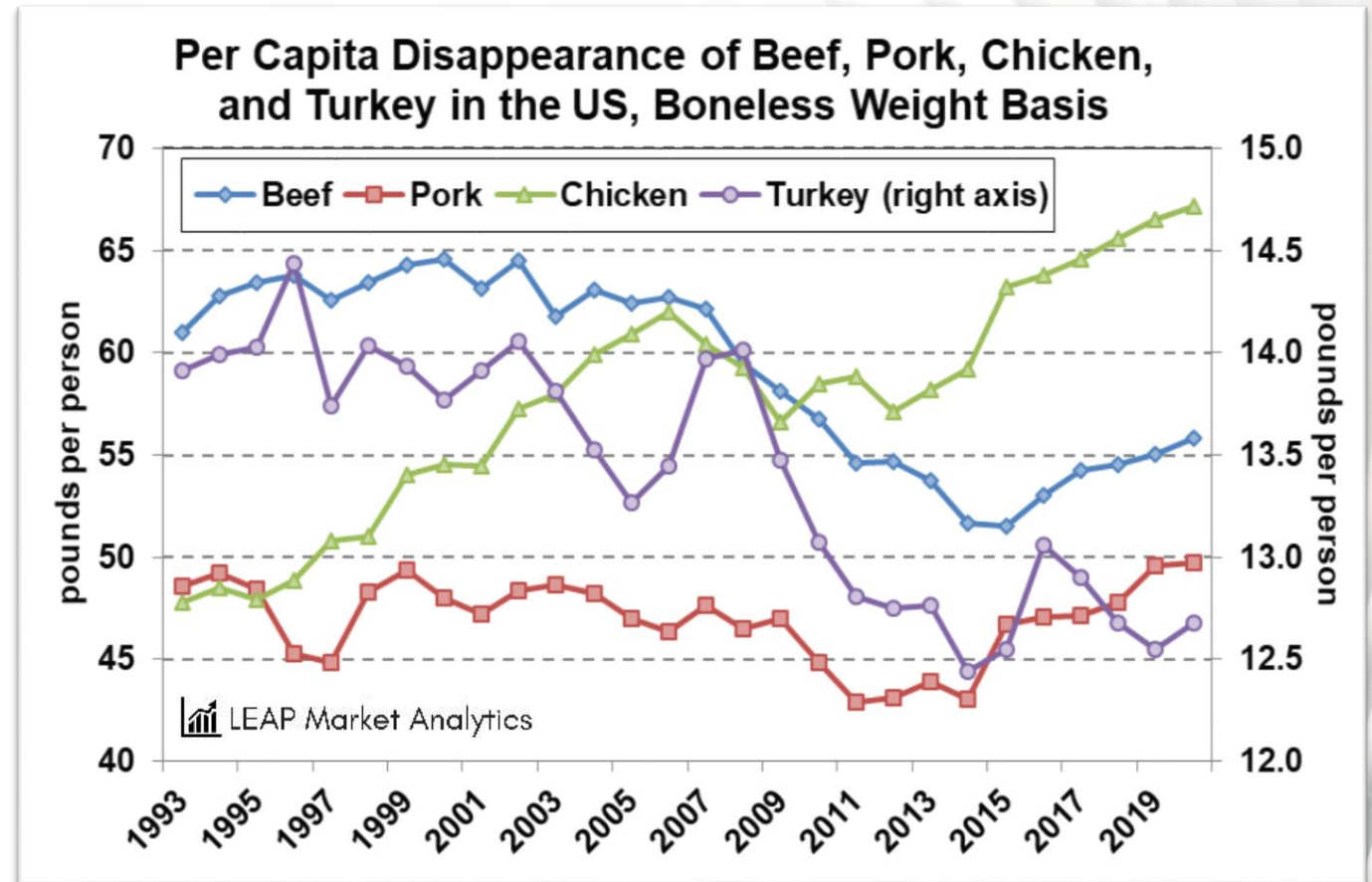
TOTAL US BROILER EXPORTS

- Will there be a “bump” in chicken exports to China (and nearby) because of ASF? We think so but not necessarily one out of line with past elevated trading levels.
- Still hinges on some kind of a trade deal getting done, and the Chinese government appears determined that US benefits as little as possible from their troubles.
- Ample talk of Chinese consumers being more “pork-averse” and switching to chicken because of recent ASF issues, encouraging news for US poultry companies.

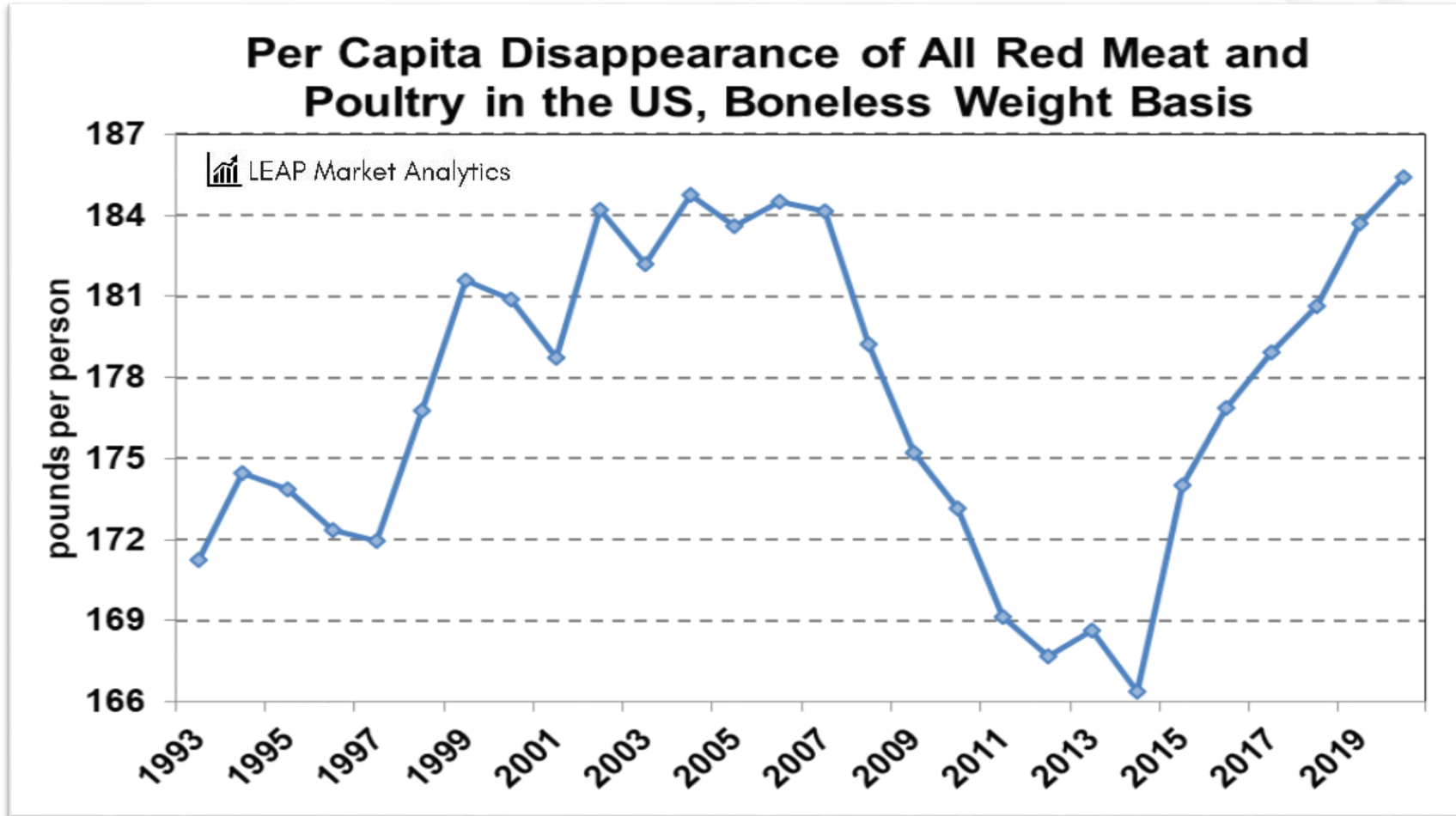


PER CAPITA DISAPPEARANCE OF BEEF, PORK, CHICKEN, and TURKEY IN THE US, BONELESS WEIGHT BASIS

- Even with export gains to China/Asia, domestic per capita availability of chicken is heading into record territory.
- 2020 should represent an 8th consecutive year of increasing per capita chicken supplies; total increase of 10 pounds (+18%) during this 8-year period.
- Need more of an export bump from ASF (or something else) to avoid massive domestic supply load of all red meat and poultry; will at least approach, if not enter, record territory next year.

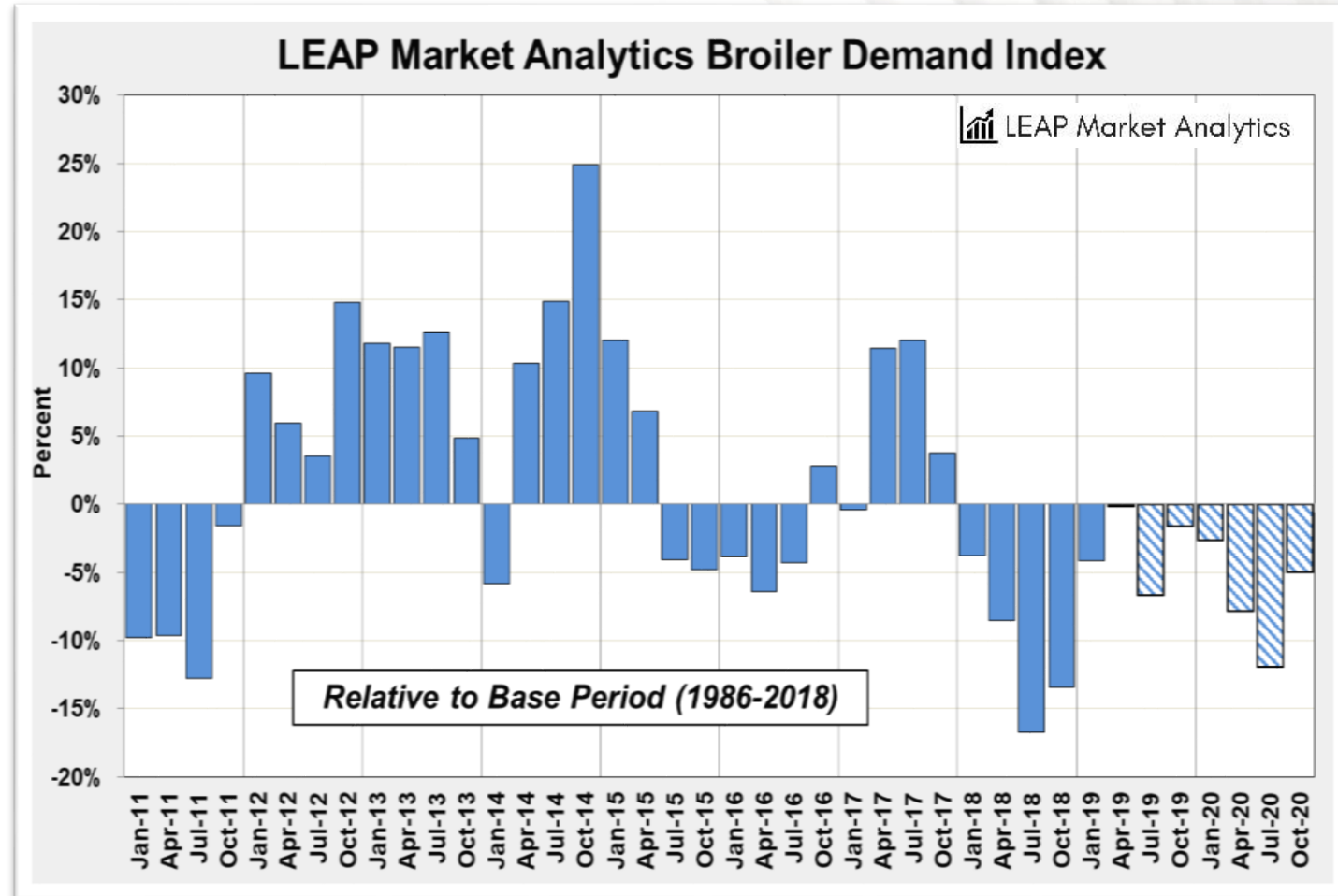


PER CAPITA DISAPPEARANCE OF ALL RED MEAT AND POULTRY IN THE US, BONESLESS WEIGHT BASIS

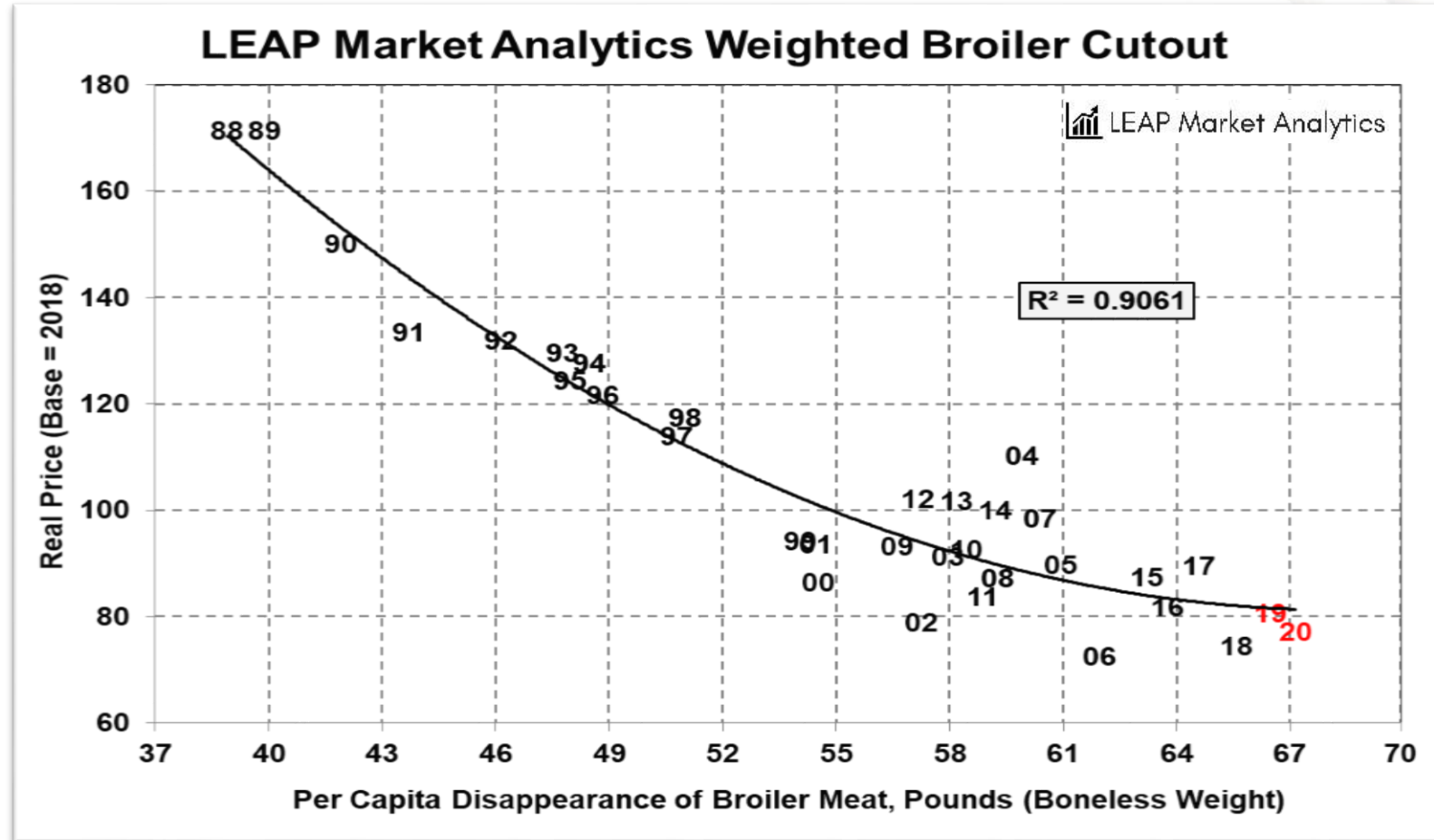


LEAP MARKET ANALYTICS BROILER DEMAND INDEX

- Chicken demand slumped to historically weak levels during the second half of 2018.
- Cheap prices almost across the board coupled with “beef fatigue” set the stage for a turnaround during the first half of this year.
- Despite the improvement, chicken demand remains no better than “normal” and is showing signs of rolling over again.
- Surging wing and dark meat demand has led broader recovery in demand across the carcass.

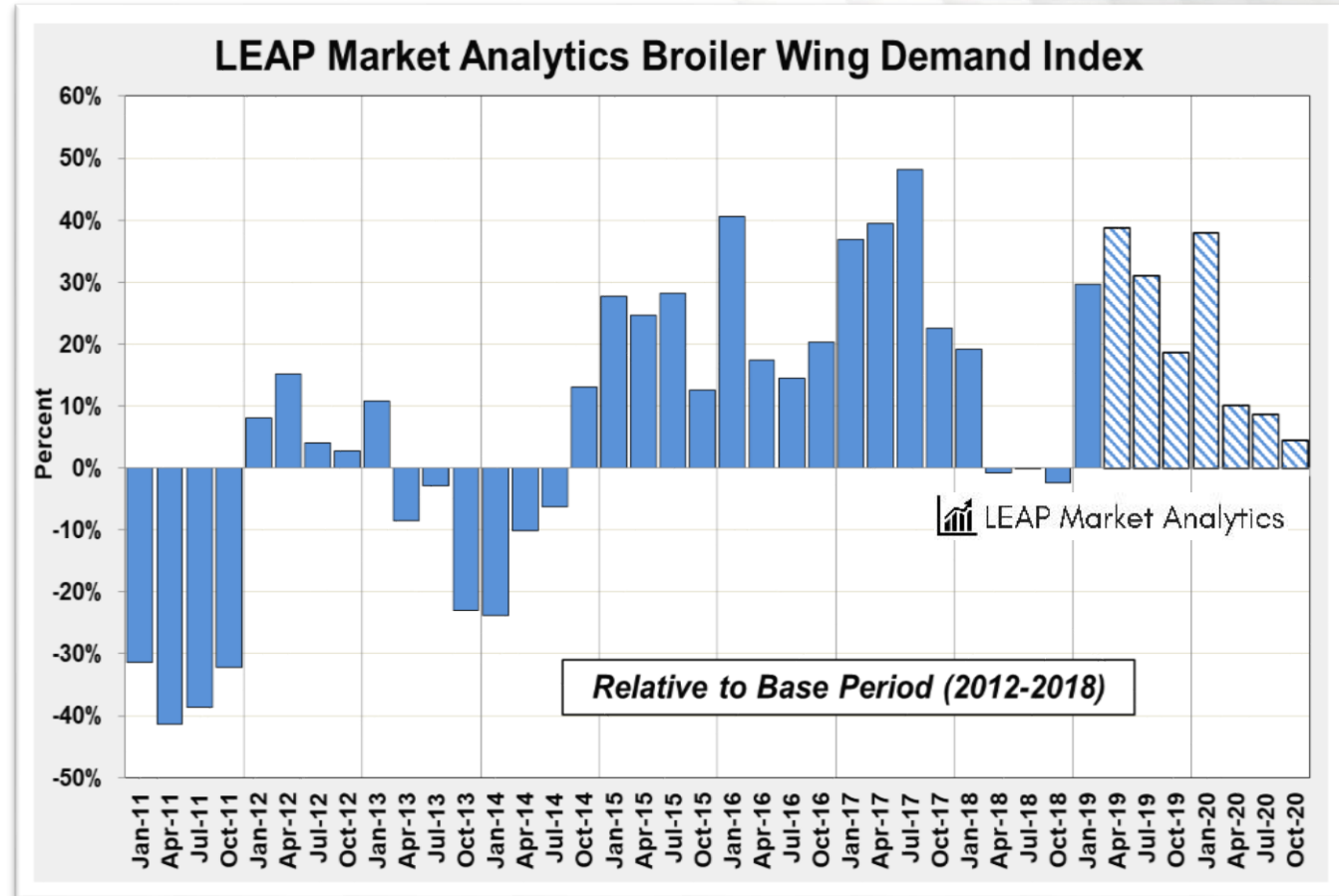


LEAP MARKET ANALYTICS WEIGHTED BROILER CUTOUT

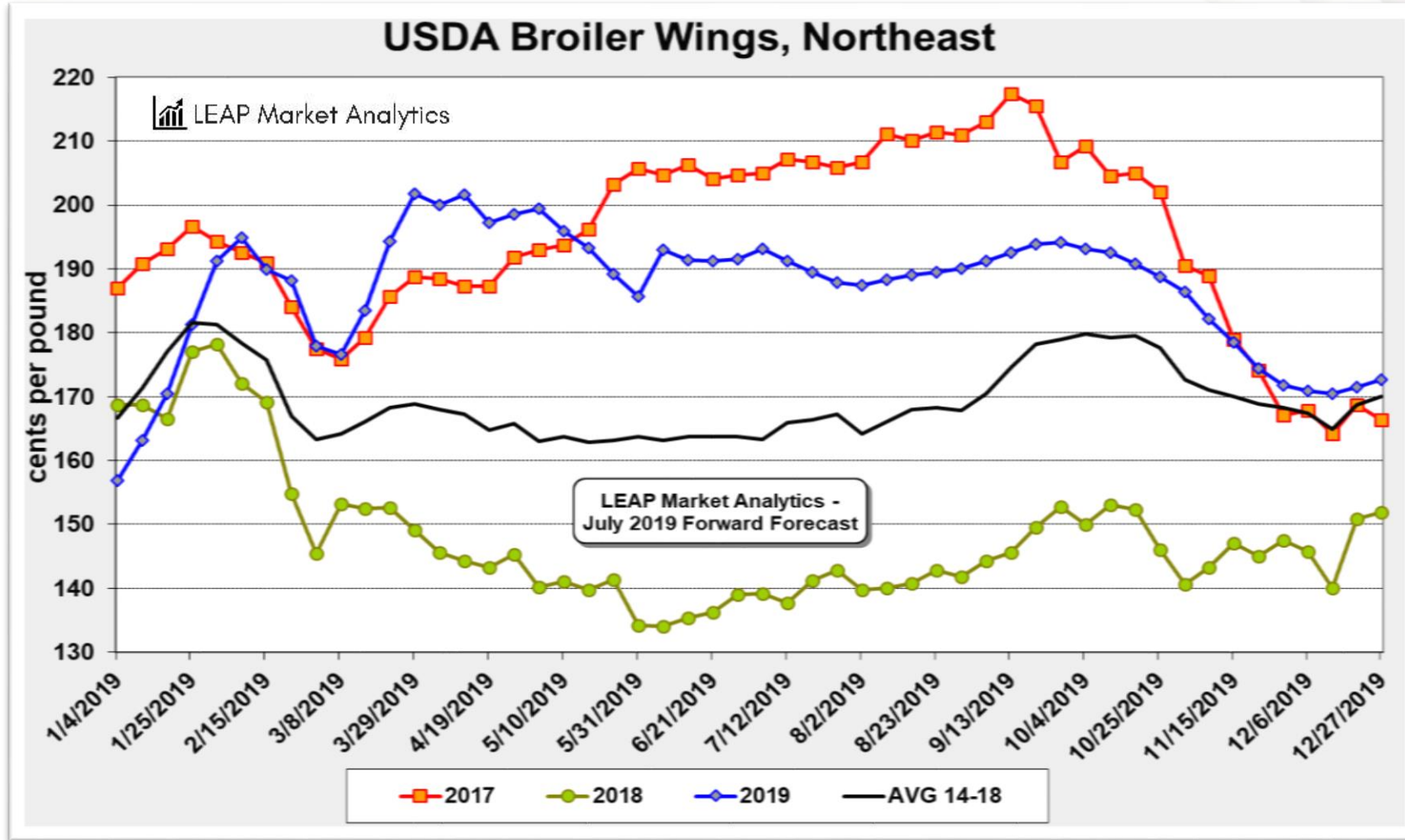


LEAP MARKET ANALYTICS BROILER WING DEMAND INDEX

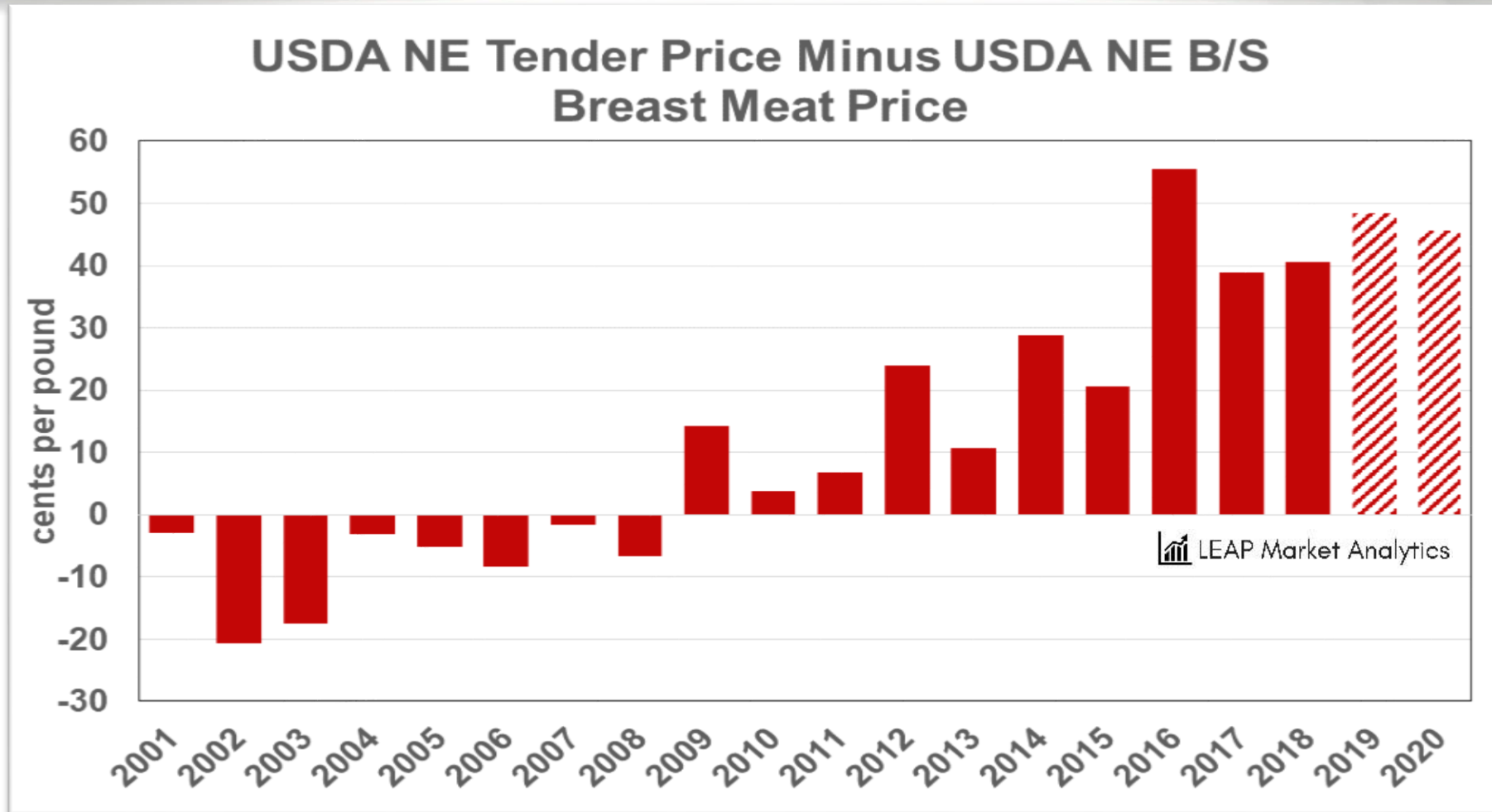
- Last year's "hiccup" notwithstanding, wing demand has mostly sustained at very high levels, relatively speaking, over the past 4-5 years.
- Large amount of infrastructure devoted to marketing wings, with supermarket "hot bars" and wing-centric restaurants fueling demand growth more recently.
- Year-round wing consumption increasingly promoted, smoothing seasonal price differentials.
- Buyers forced to substitute and/or supplement with "boneless wings."



USDA BROILER WINGS, NORTHEAST



USDA NE TENDER PRICE MINUS USDA NE B/S BREAST MEAT PRICE

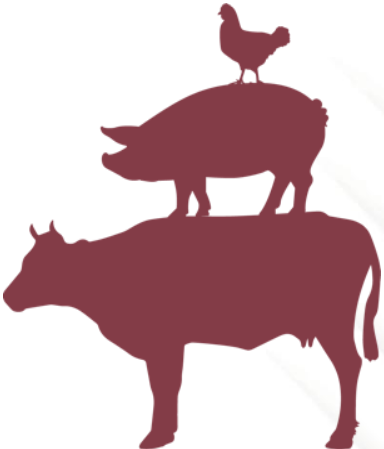


KEY NOTES AND TAKEAWAYS ON DEMAND AND PRICING

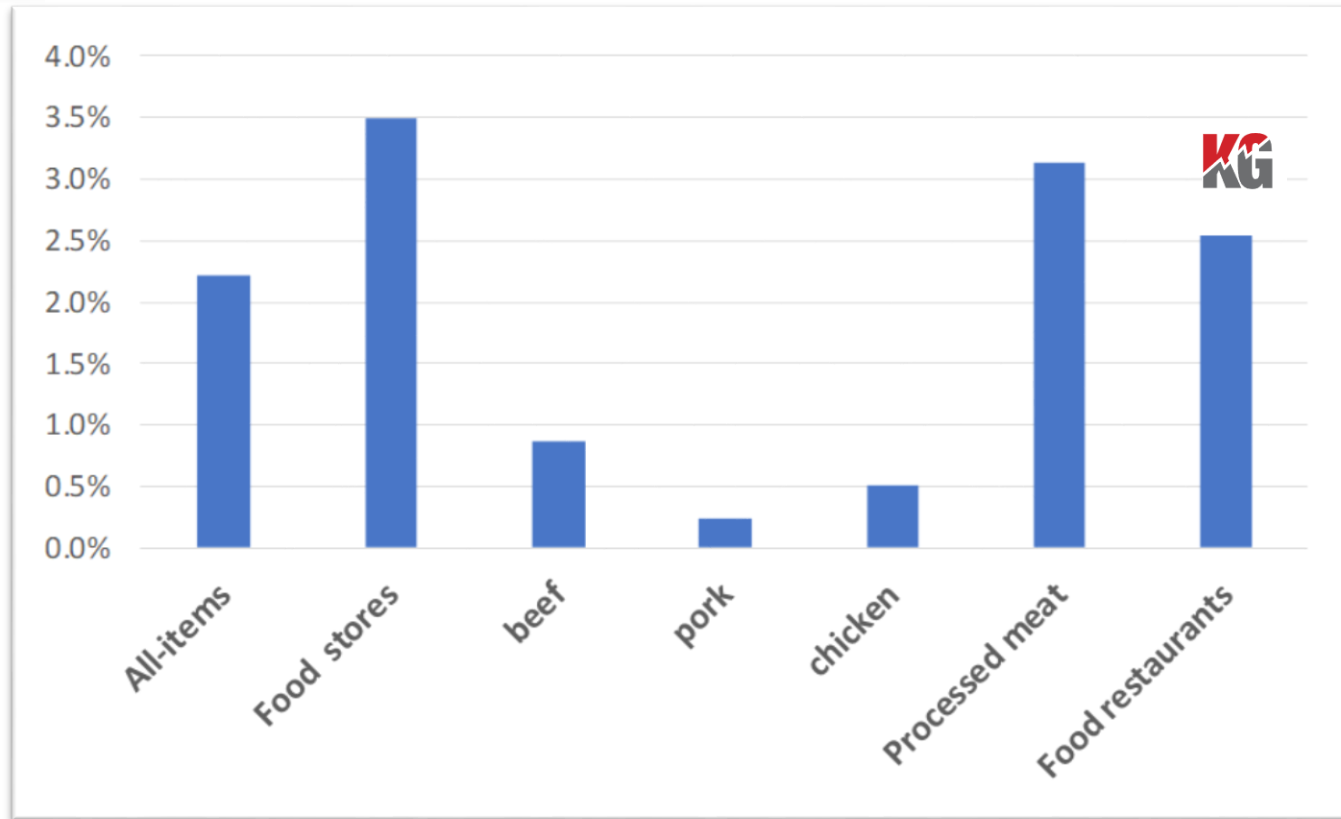
- A “subjective” assessment of price performance across the cutout:
 - wings = very strong
 - tenderloins, b/s thigh meat, leg quarters, and whole broilers = above average to moderately strong
 - drumsticks, front halves, and b/s breast meat = mediocre to poor
- Boneless skinless thigh meat posted a higher average annual price than boneless skinless breast meat for the first time ever in 2018 and should do so again in both 2019 and 2020.
- Look for b/s breast meat to remain relatively cheap and very plentiful for the foreseeable future. While this product once “led the cutout,” it’s increasingly a drag on the cutout.
- Composite average chicken prices figure to post a solid increase this year over 2018 thanks to much-improved demand, but sliding demand and robust supplies argue for more defensive markets in 2020.
- While a repeat of the “demand disaster” that unfolded during the second half of 2018 isn’t quite expected in 2020, what happened last year was definitely a reminder of just how much chicken demand can suffer when beef and pork are plentiful and relatively affordable.

CANADIAN MARKET OUTLOOK:

CHICKENS & POULTRY

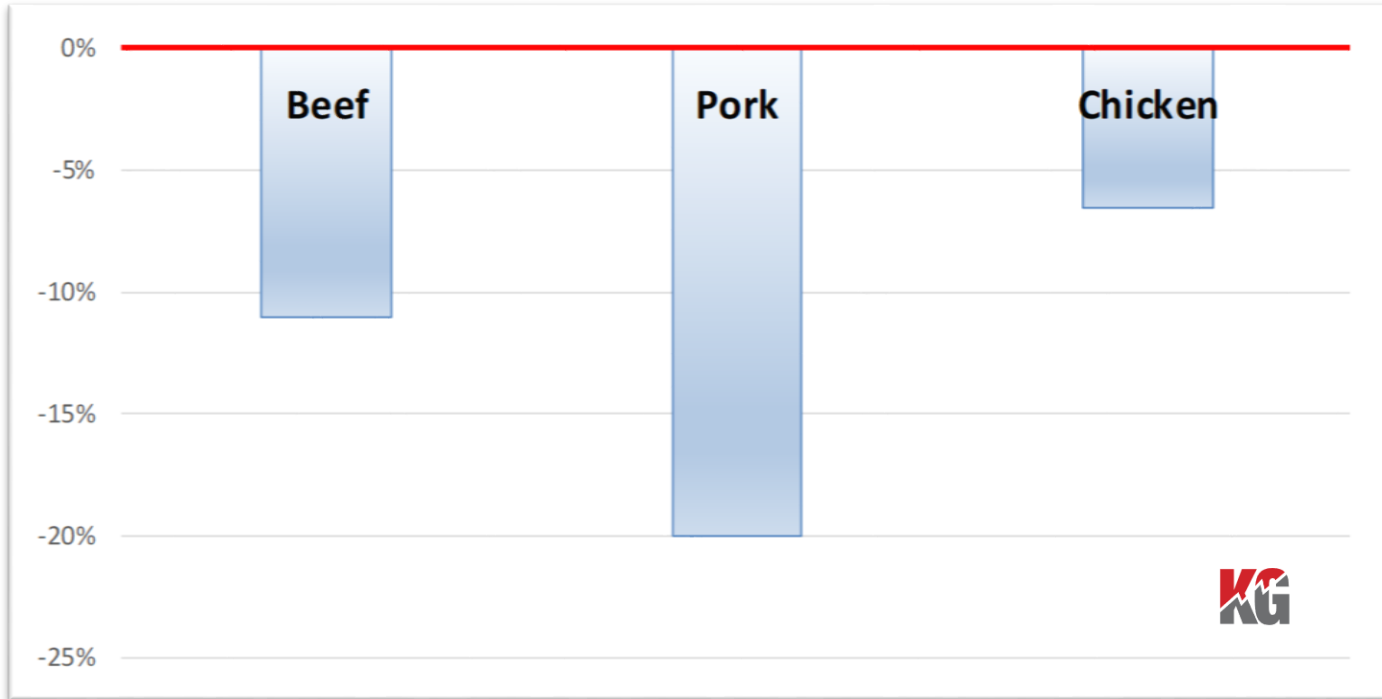


CANADIAN INFLATION APRIL - MAY 2019/2019



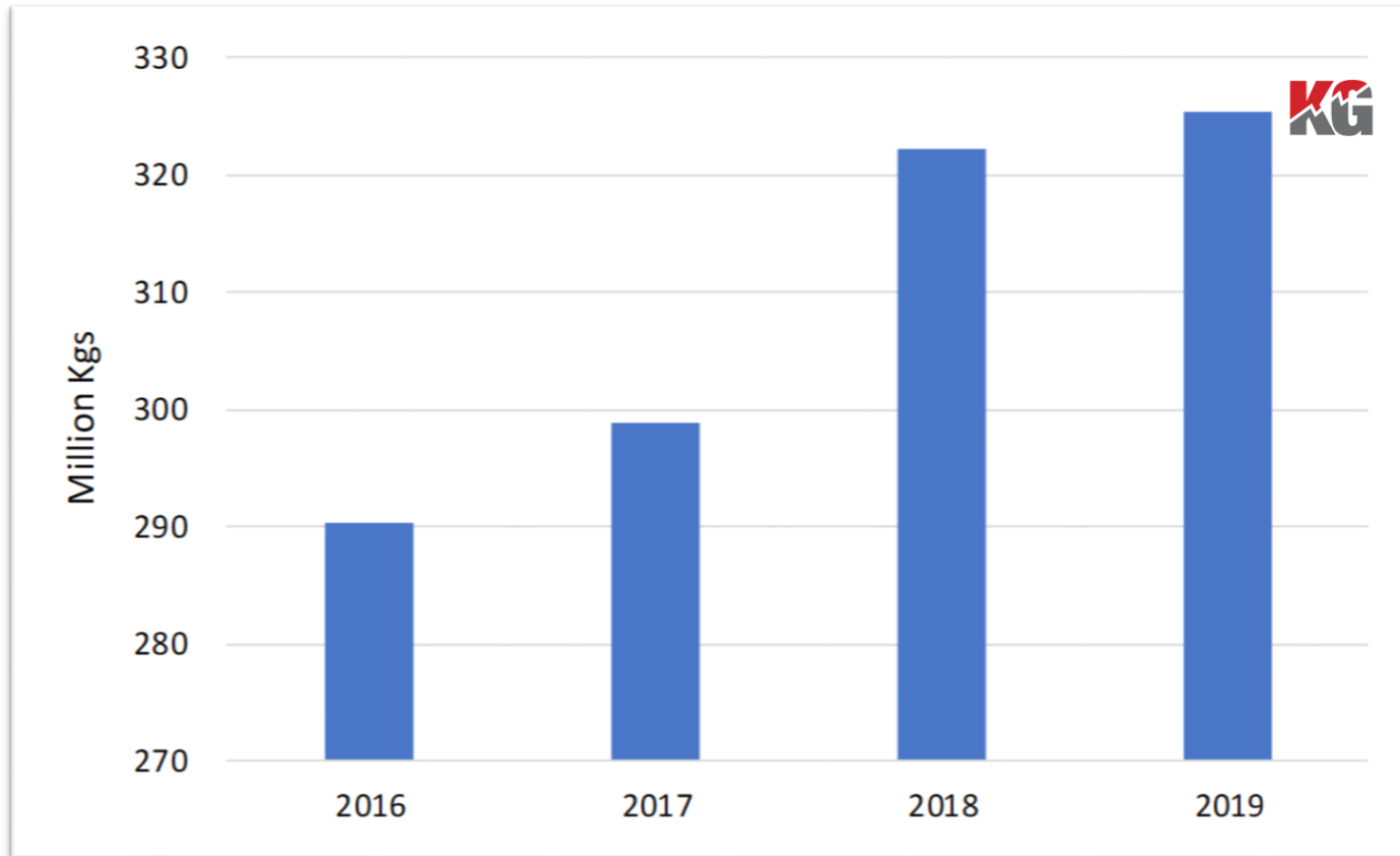
- Little or none in the three main meats

Q2 RETAIL MARGINS VS 2016-2018 AVERAGE



- Three main meats are below average

CANADIAN CHICKEN 2ND QUARTER PRODUCTION 2016-2019



- Modest increase in 2019 on top of big 2018

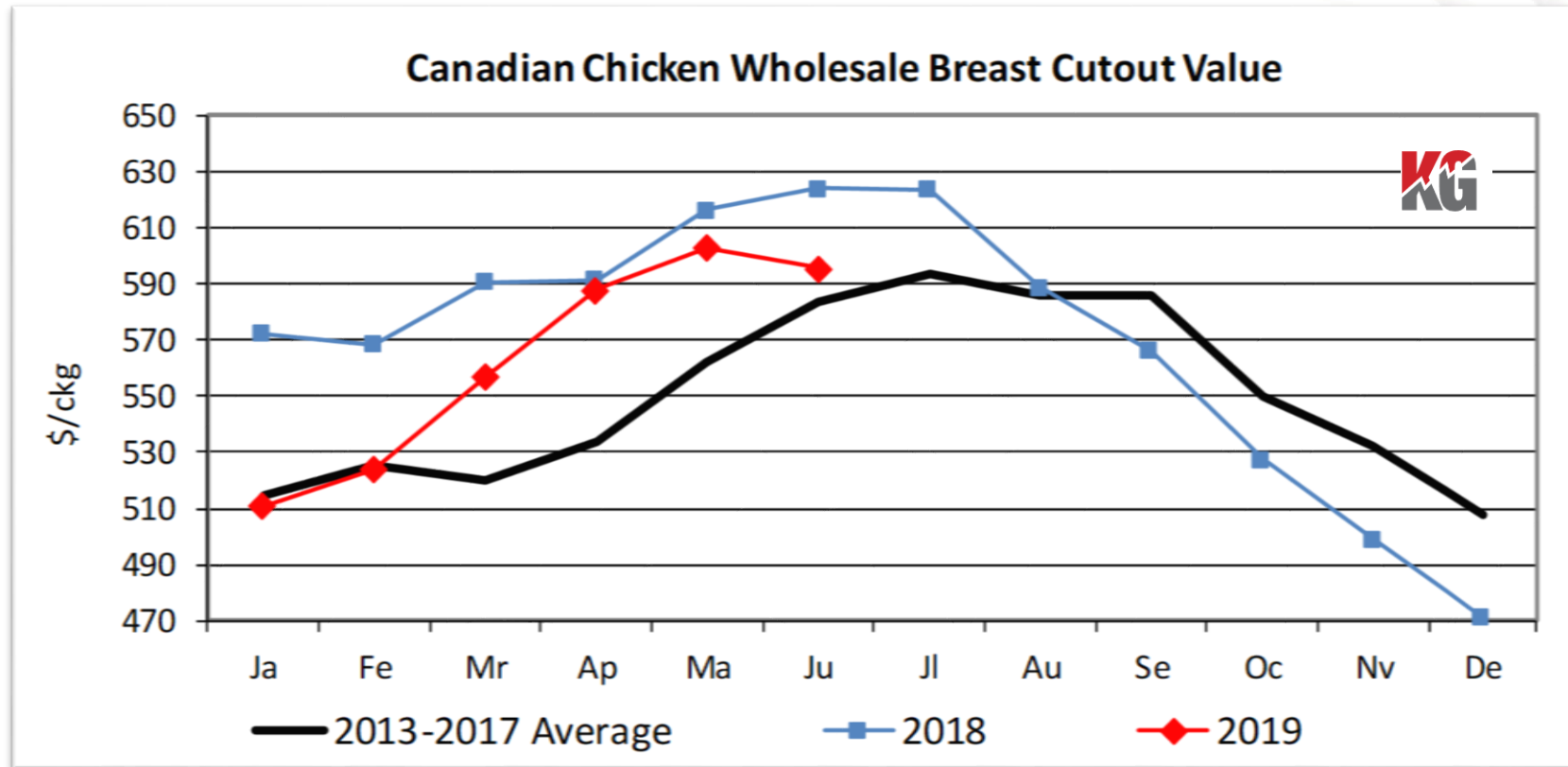
3RD QUARTER CHICKEN PRODUCTION



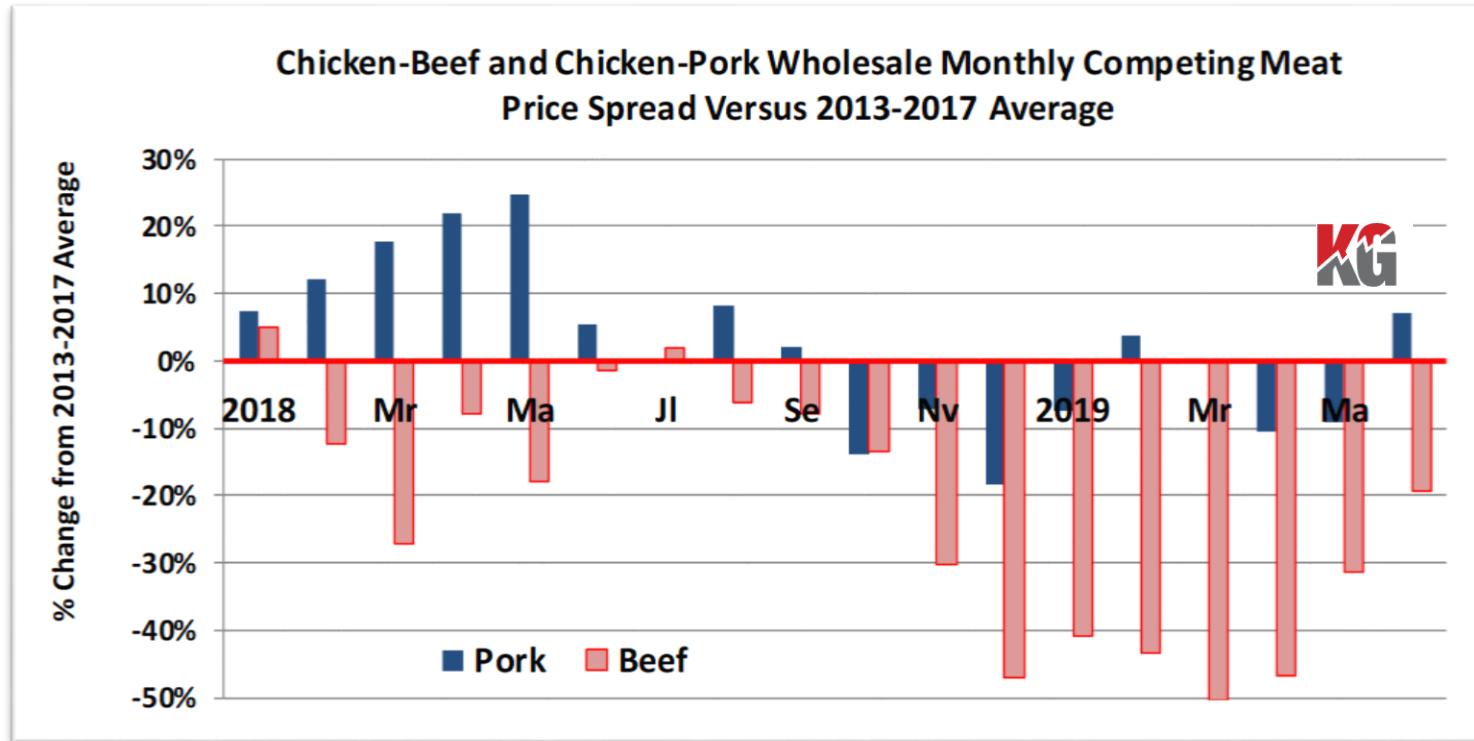
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- Up 3-4%
- On top of big increases in 2018

CANADIAN CHICKEN WHOLESALE CUTOUT VALUES 2018-2019, 2013-2017 AVG



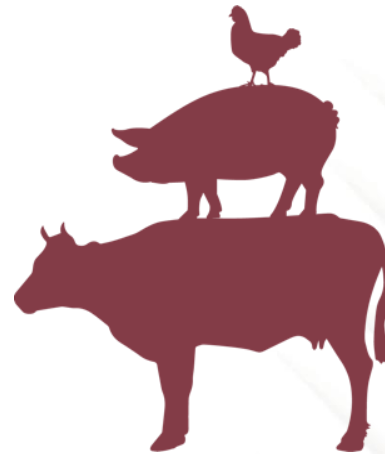
CHICKEN LESS BEEF AND PORK WHOLESAL MONTHLY VS 2013-2017 AVERAGE



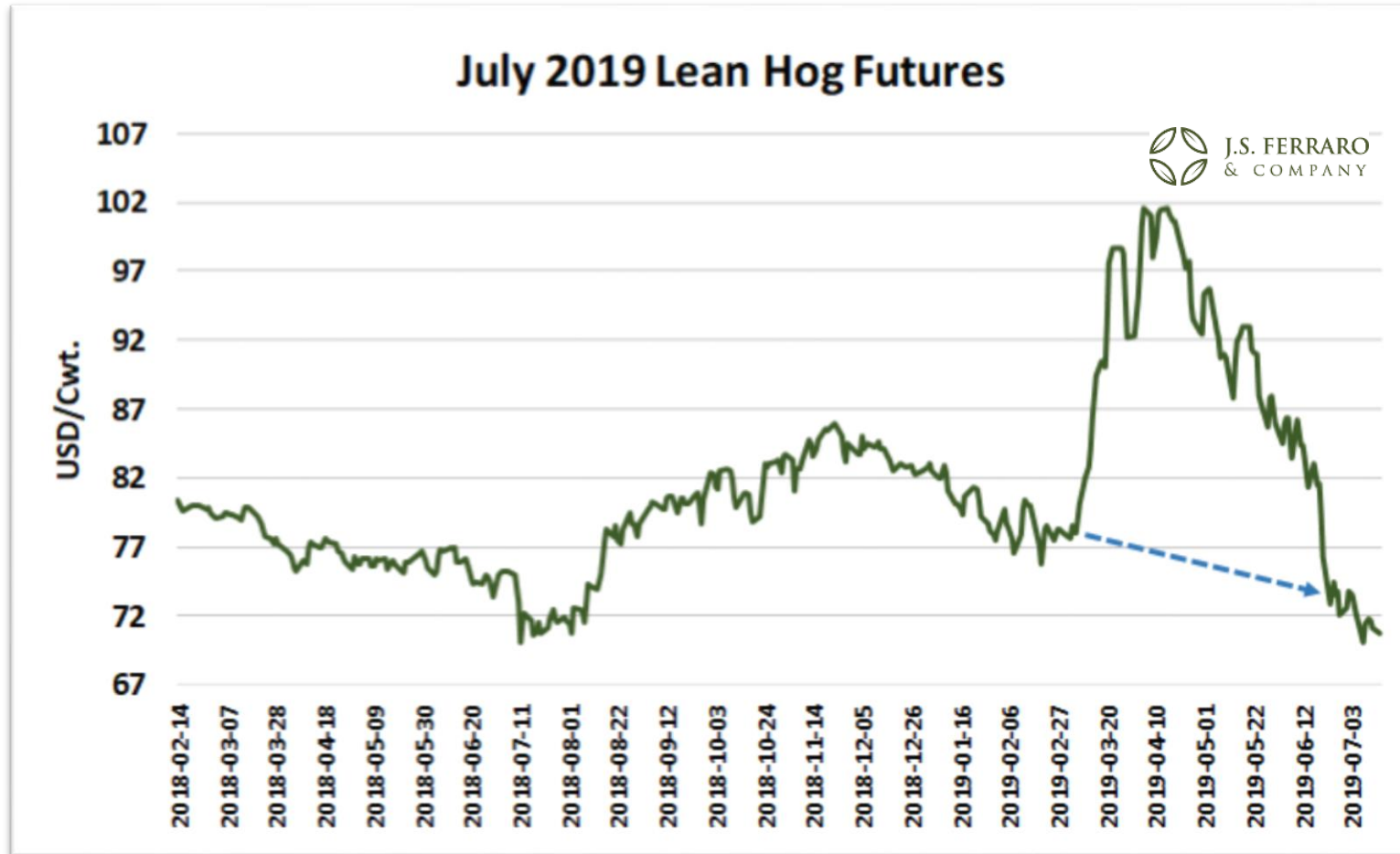
- Wholesale chicken is very competitive.
- Grocer breast margins lagging...again

US MARKET OUTLOOK:

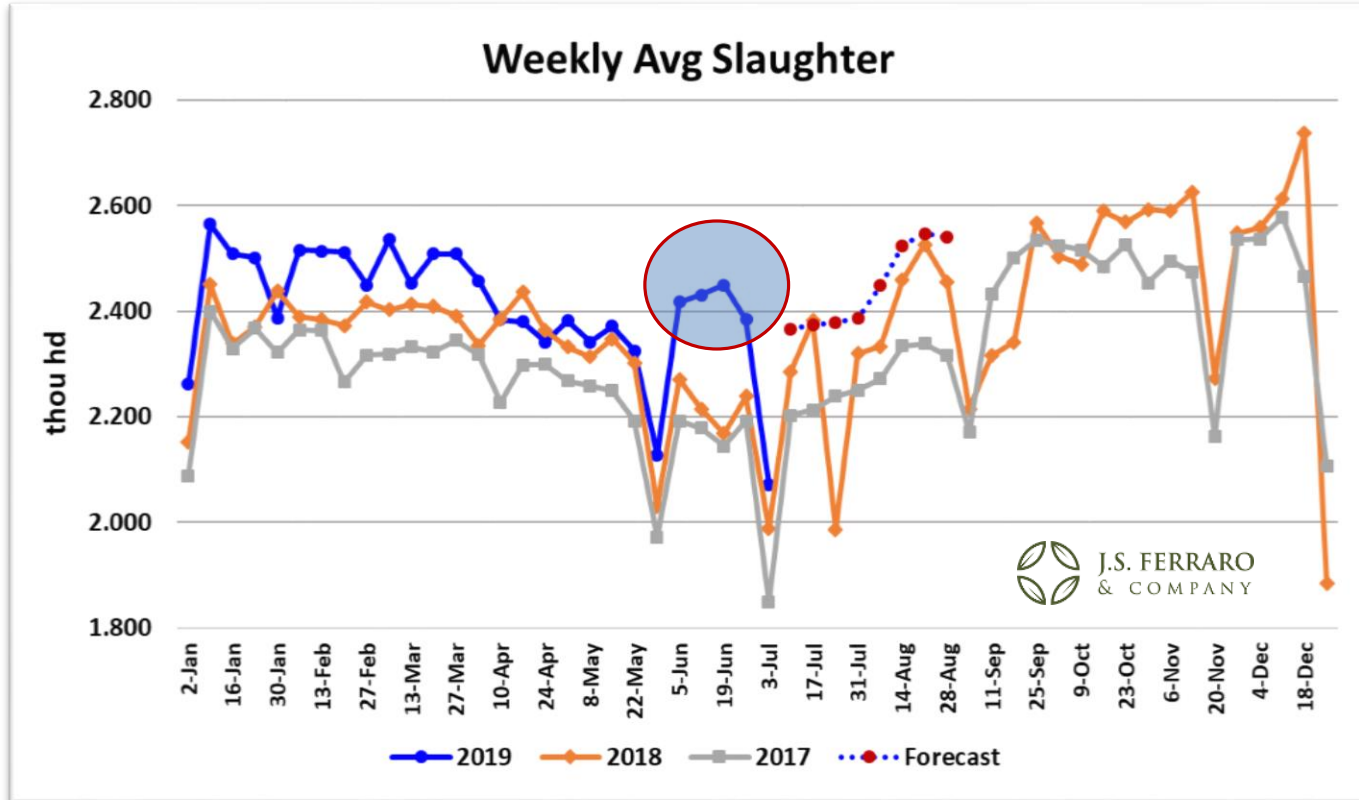
HOGS & PORK



JULY 2019 LEAN HOG FUTURES

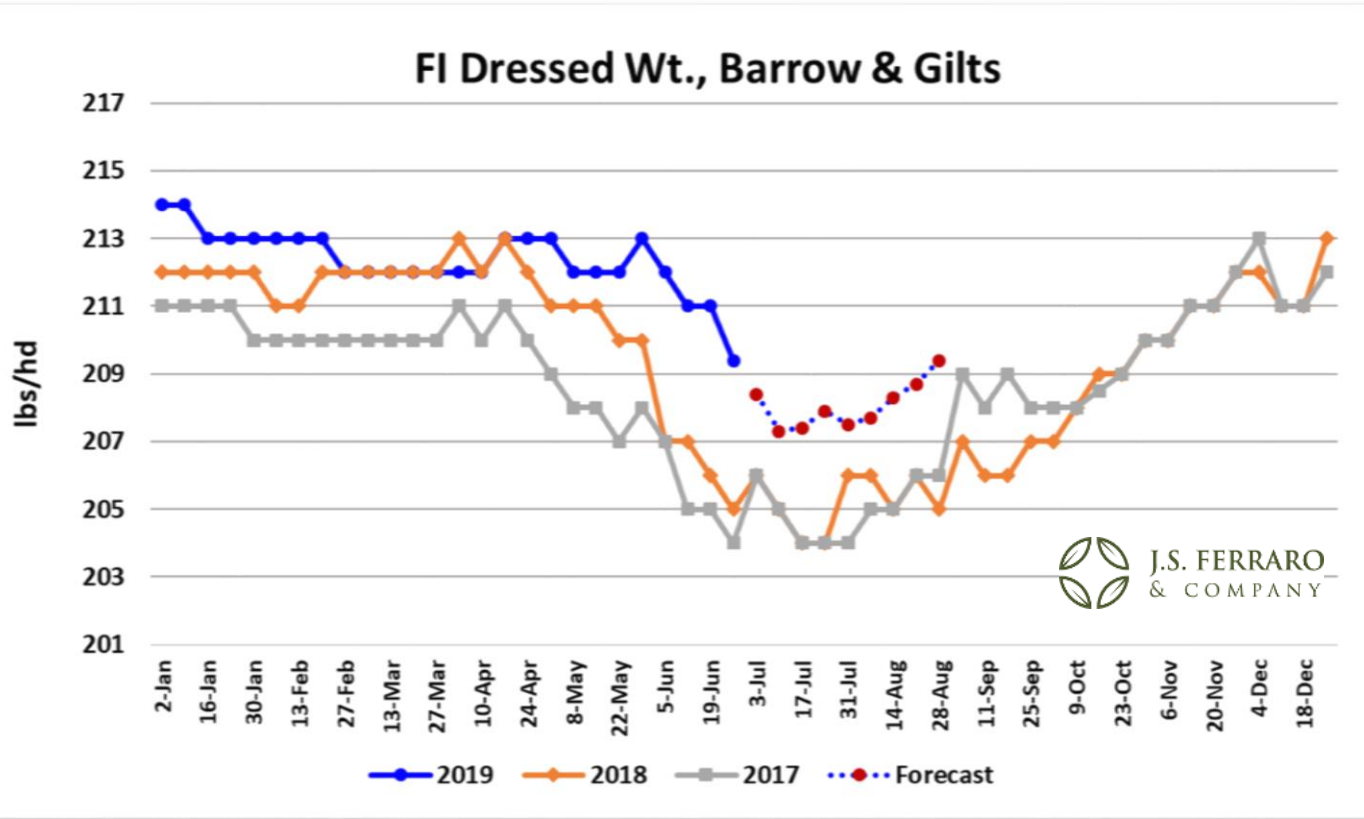


WEEKLY AVG SLAUGHTER



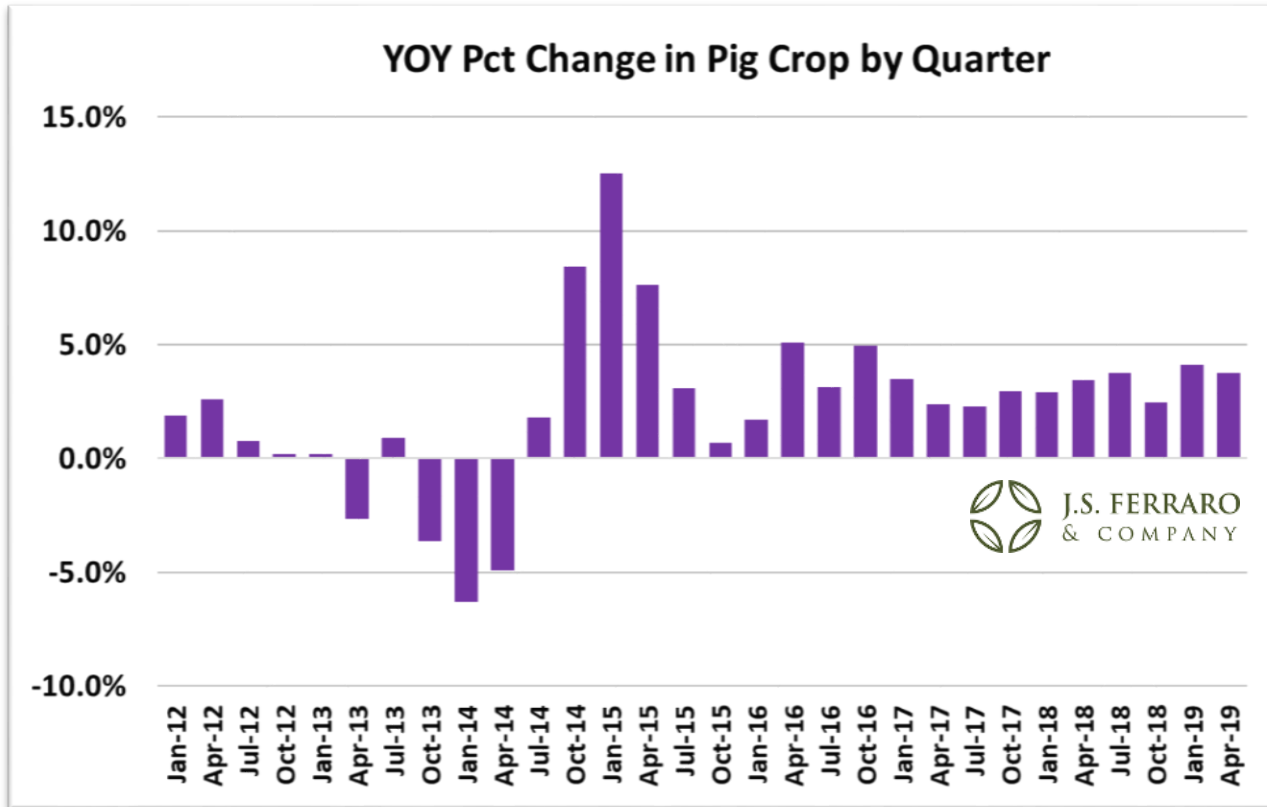
- Swine slaughter during June averaged 9% greater than a year ago.
- USDA's estimate of the Dec/Jan pig crop was only up about 3%.
- This bulge in supply was likely caused by hog producers holding back animals in May in response to high summer futures prices.
- There is always a risk that USDA underestimated the Dec/Jan pig crop.

FL DRESSED WT., BARROW & GILTS



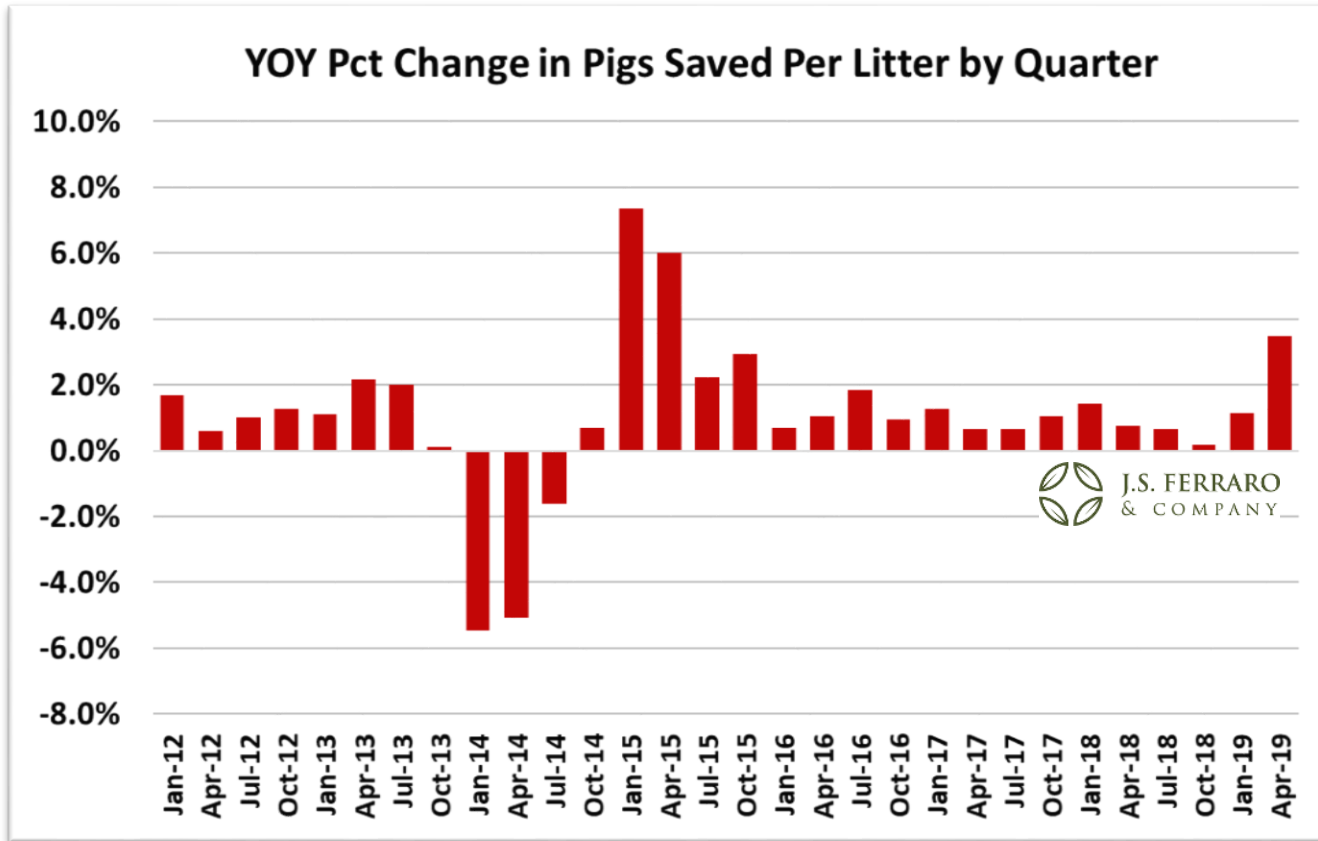
- Barrow and gilt weights are now five pounds over last year.
- Carcass weights failed to break lower in May, which is the typical seasonal pattern.
- This is also evidence of “holding back” by hog producers in response to high summer futures.
- Cool spring temperatures in the Midwest likely boosted weight gains on hogs.
- The forecast looks for weights to come down seasonally, but a relatively large YOY gap remains.

YOY % CHANGE IN PIG CROP BY QUARTER



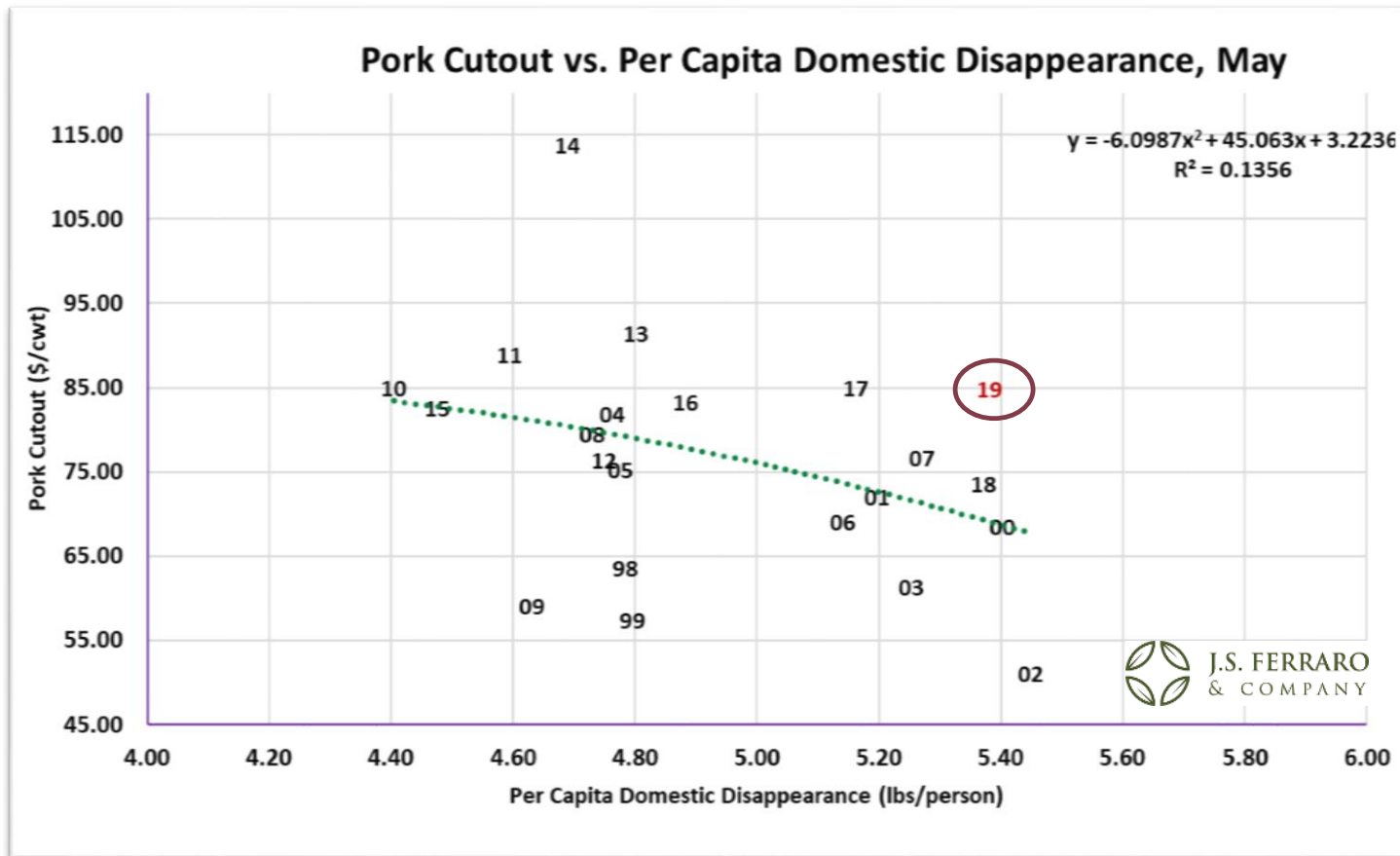
- The most recent Hogs and Pigs report pegged the March/May pig crop to be 3.7% greater than last year.
- This follows a long pattern of increasing pig crops that began in late 2014.
- These are hogs that will come to slaughter during the Sep/Nov quarter this fall.
- Clearly, there should be more pork available this fall than last year unless China starts sucking huge volumes of pork out of the US market.

YOY % CHANGE IN PIGS SAVED PER LITTER BY QUARTER



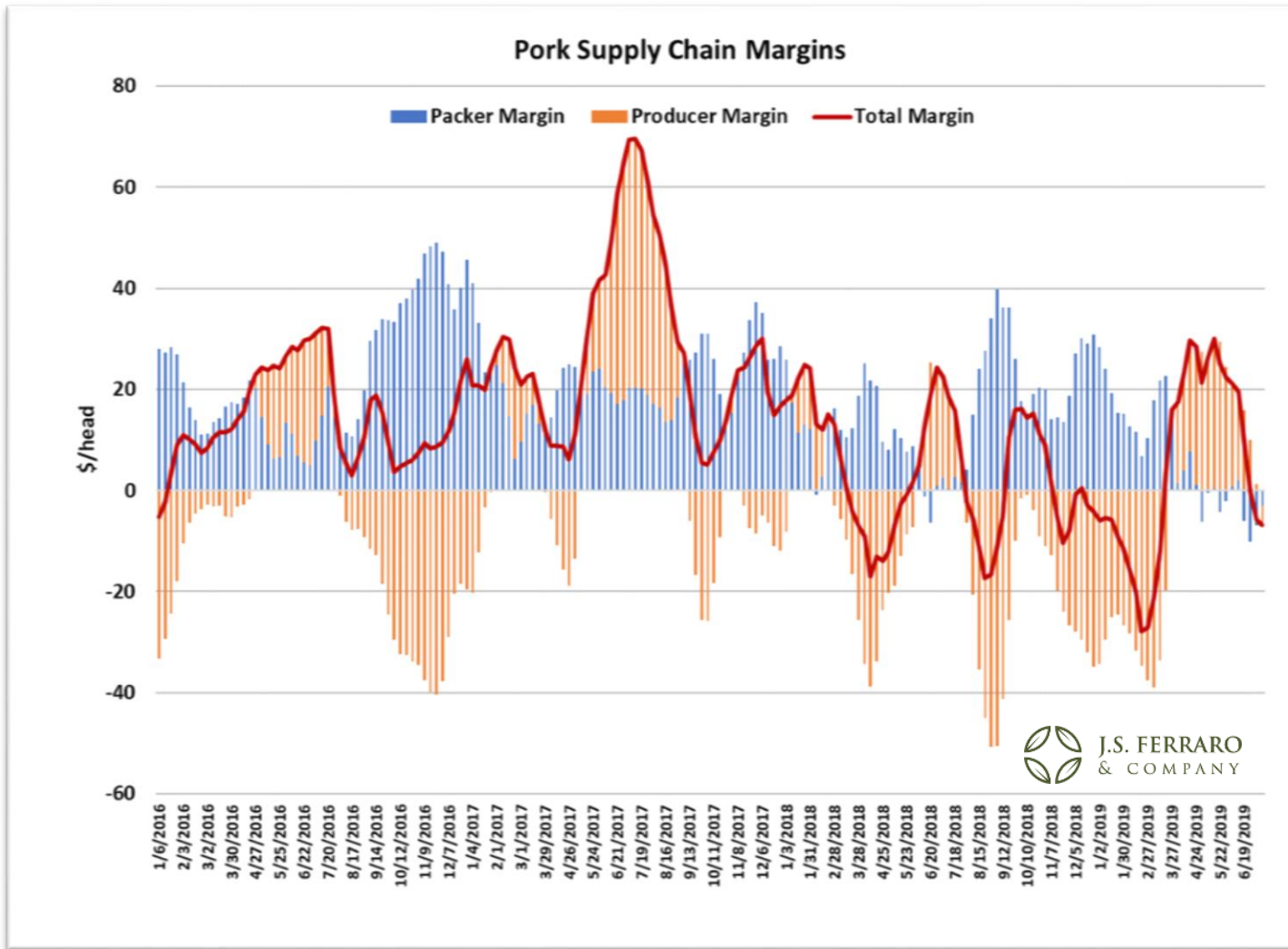
- The most surprising number in the recent Hogs and Pigs report was the estimate of the number of pigs saved per litter, which reached 11.0 for the first time ever.
- That was a 3.5% increase over the same period last year and a very big boost in productivity.
- The only other time we saw productivity increase this much was in 2015 as the industry was recovering from the PEDv epidemic.
- This boost could be related to better control of the PRRS virus and if so, it could mean strong productivity in the next few quarters.

PORK CUTOUT VS. PER CAPITA DOMESTIC DISAPPEARANCE, MAY



- Domestic pork demand appeared strong during May, the last month for which complete data exists.
- However, the same scatter diagrams for June and July don't look nearly as strong.
- The reading for May, 2019 was second only to May, 2014 when the PEDv epidemic caught buyers short and generated a lot of panic buying.
- Fears about ASF in China causing a surge in US pork exports likely helped generate this strong result.

PORK SUPPLY CHAIN MARGINS



- The combined producer + packer margin turned decidedly negative over the past few weeks.
- This is an indicator of overall demand since sudden improvements in demand often lead to out-sized margins at the packer level and eventually the producer level.
- This indicator was particularly strong during May, confirming what we see in the scatter diagram.
- The combined margin is now below zero and could be signaling further demand erosion on the horizon.

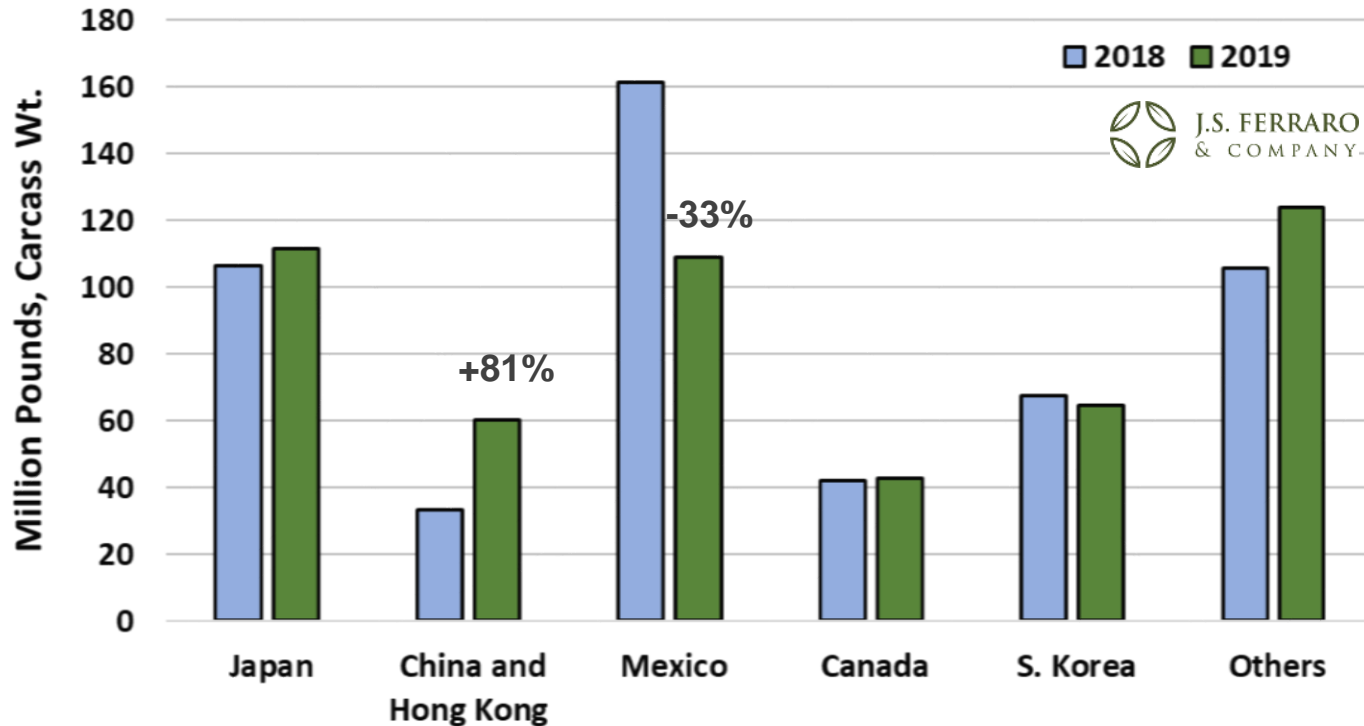
WEEKLY PORK EXPORTS TO CHINA



- The weekly USDA trade data indicates that pork shipments to China have escalated rapidly in recent weeks.
- However, this data is somewhat unreliable and often does not correlate well with the official trade data released by ERS.
- China banned pork imports from Canada recently after discovering forged documents and ractopamine residue in the product shipped.
- More than half of US pork production is accomplished using ractopamine and that product is ineligible to be shipped to China.

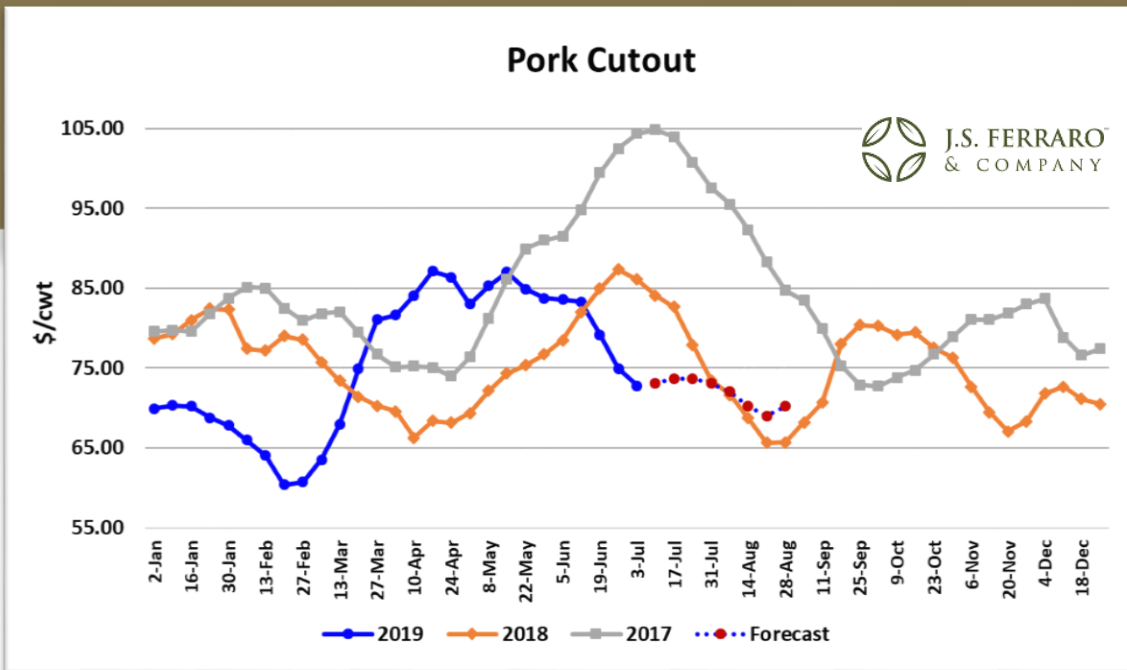
TOTAL PORK EXPORTS REQUIRE TO JUSTIFY CURRENT FUTURES PRICES

May Pork Exports, 2019 vs. 2018

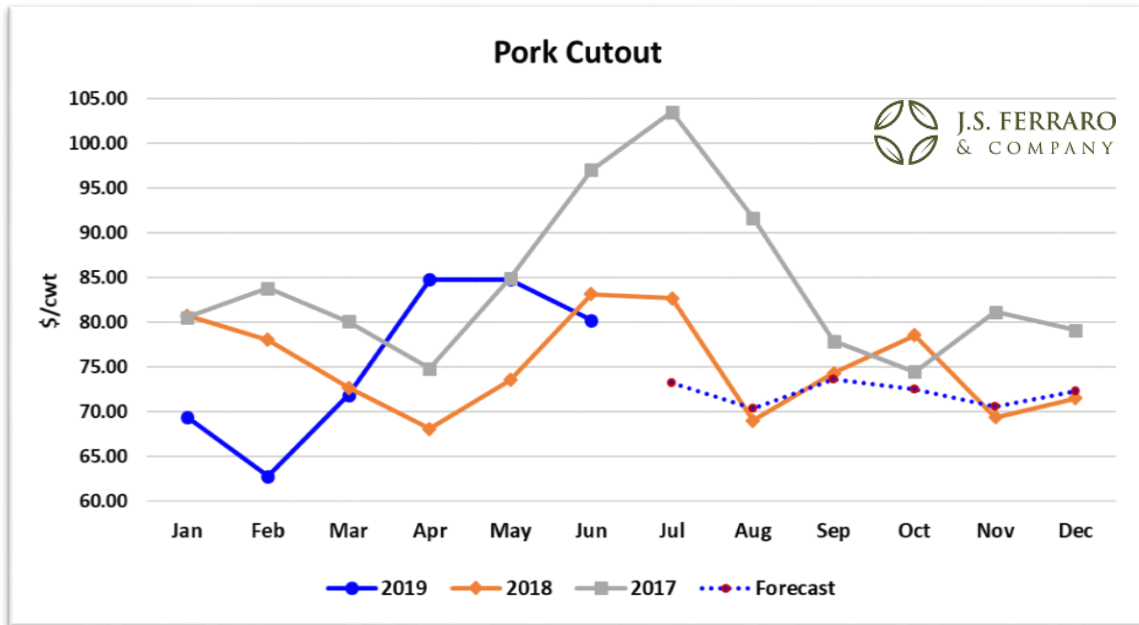


- USDA recently released the official carcass-weight export data for May.
- Total US pork exports were down about 1%.
- Bigger movement to China was more than offset by smaller movement to Mexico.
- Mexico tends to be one of the most price-sensitive buyers of US pork.
- The weekly trade data suggested that May pork exports would be up 10%, but they were down 1%. This highlights the unreliable nature of the weekly data.

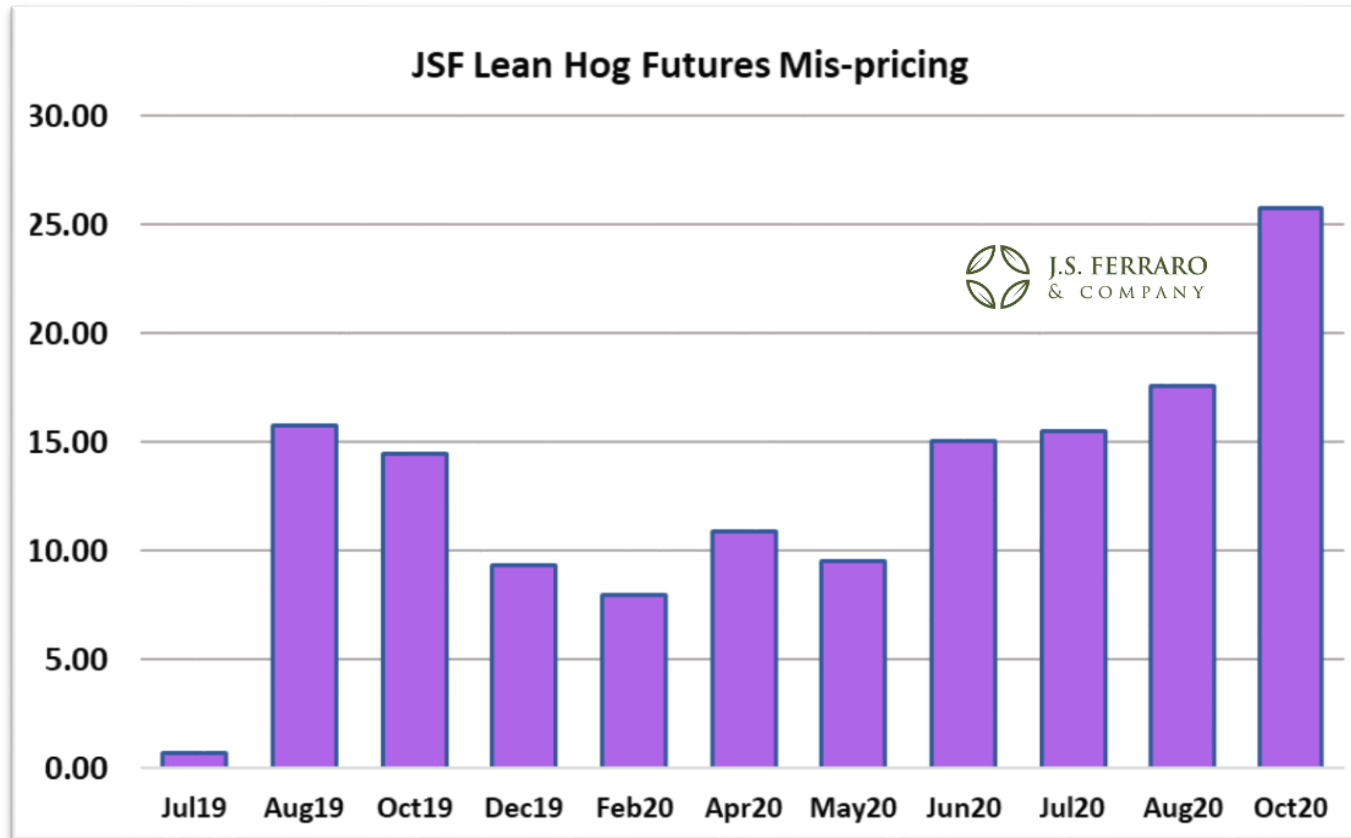
PORK CUTOUT



- The cutout has struggled recently under the weight of really large production recently.
- Daily kills in recent weeks have been in the 470-480,000 head range. That is more typical for fall than it is in the middle of summer when hog numbers should be tightest.
- Domestic demand has been weak lately also, further weighing on the cutout.
- Cutout values going forward will be dependent upon how much product moves into export channels. Currently our cutout forecast assumes a 6% YOY increase in pork exports in the second half of the year.



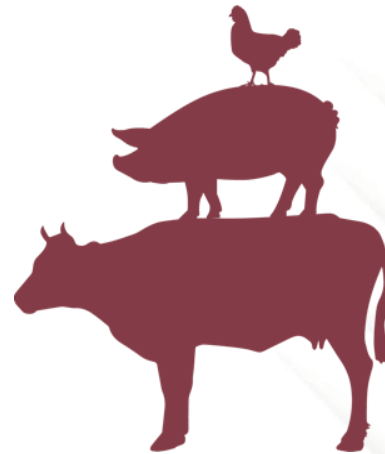
JSF LEAN HOG FUTURES MIS-PRICING



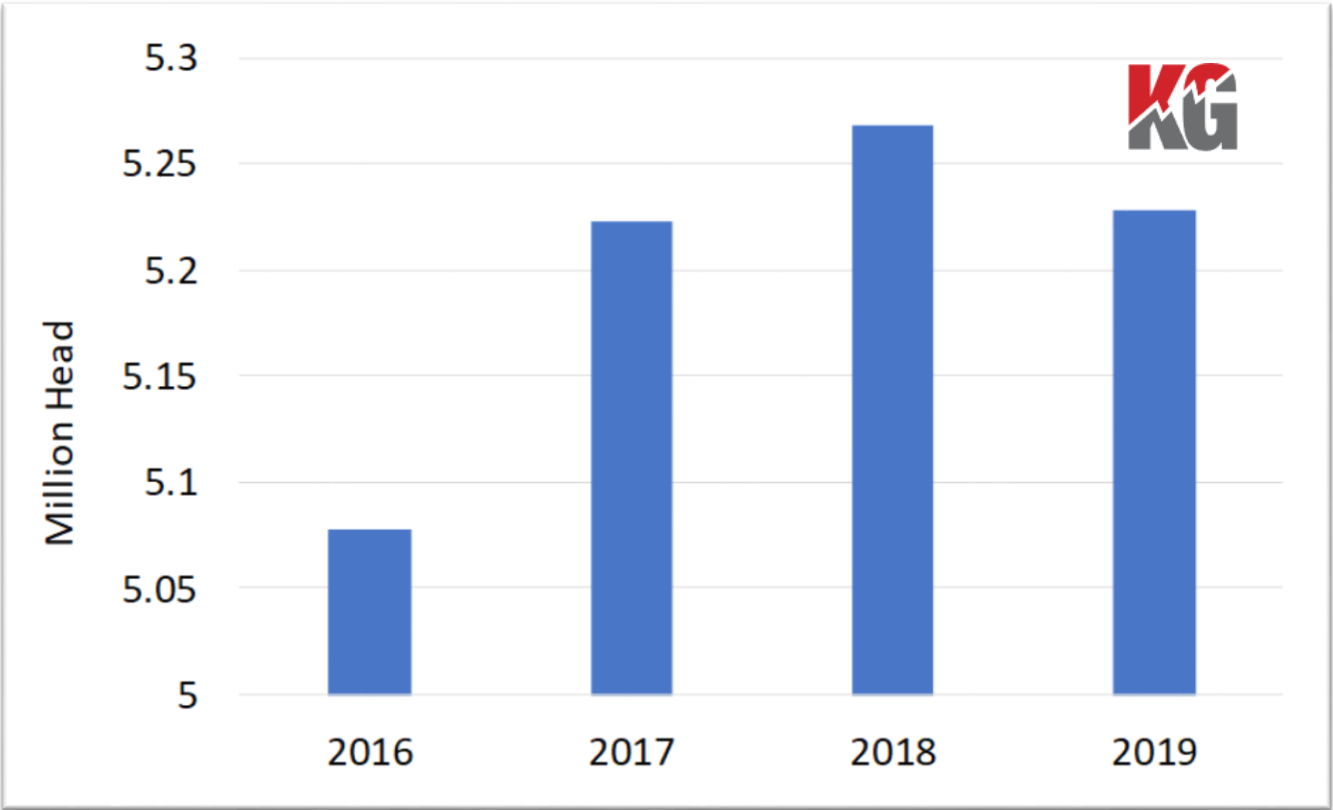
- After peaking around \$102 in early April on ASF fears, lean hog futures have steadily declined.
- Still, the deferred futures maintain an “ASF premium” generated by buyers who believe that the ASF outbreak in China will eventually elevate US hog prices greatly.
- JSF sees some ASF premium as warranted, but the market has priced in way too much.
- This will make forward offers on pork for Q3 and Q4 look really high to buyers and many may forgo booking and remain in the spot market. That is likely to be a winning strategy.

CANADIAN MARKET OUTLOOK:

HOGS & PORK



CDN SECOND QUARTER HOG SLAUGHTER 2016-2019



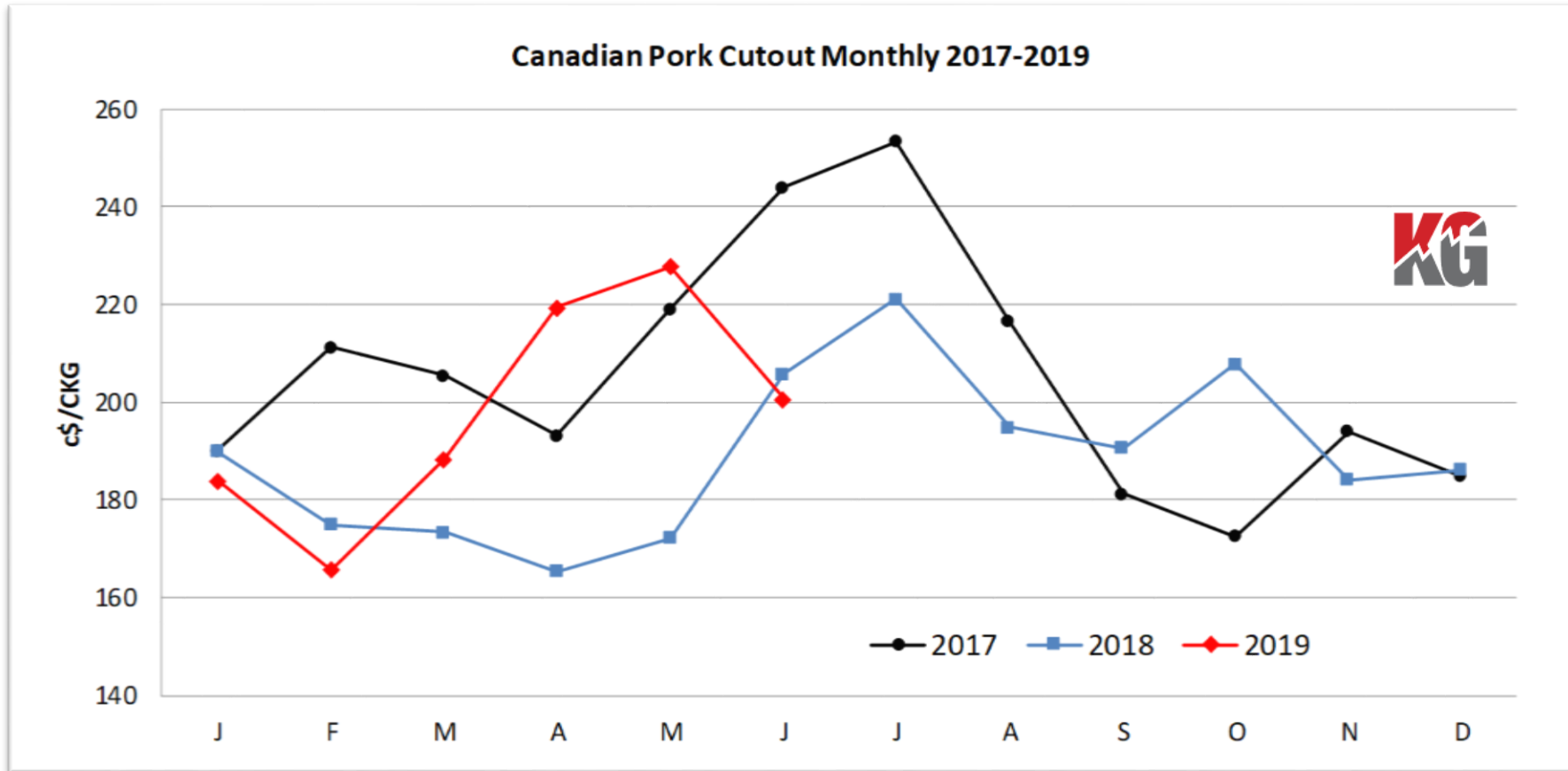
- New plant start-up issues at new Oly Quebec
- Declines in Man and Alta
- Increases in Ontario

CDN THIRD QUARTER HOG SLAUGHTER



- Steady to lower than 2018
- Inventories are down but...
- More will stay in Canada...Conestoga and HL

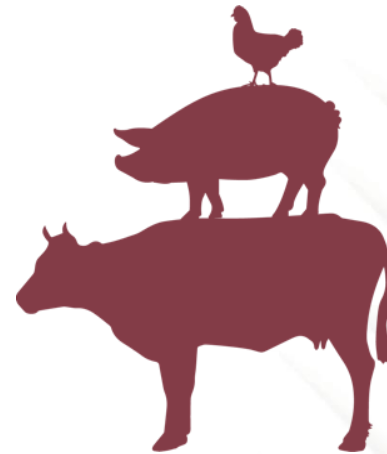
CANADIAN PORK CUTOUT MONTHLY 2017-2019



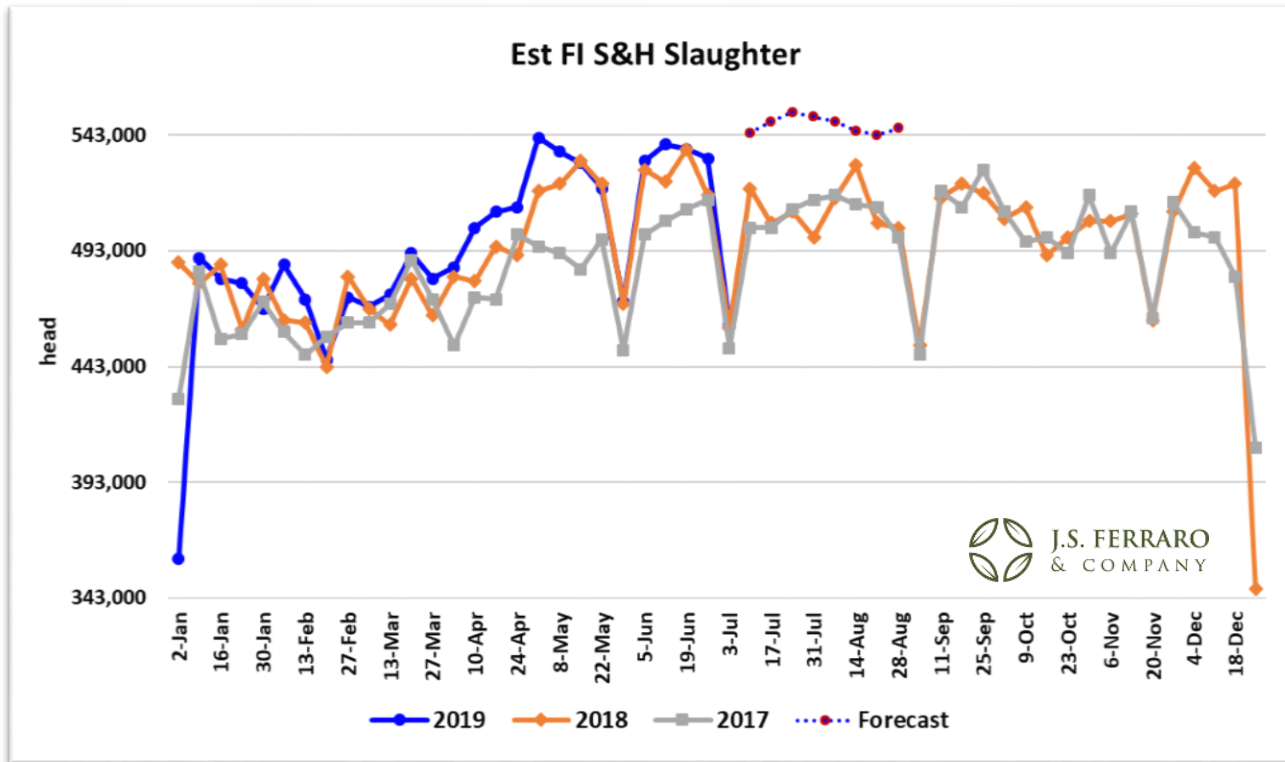
- Counterseasonal move lower
- China and U.S. tonnage

US MARKET OUTLOOK:

CATTLE & BEEF

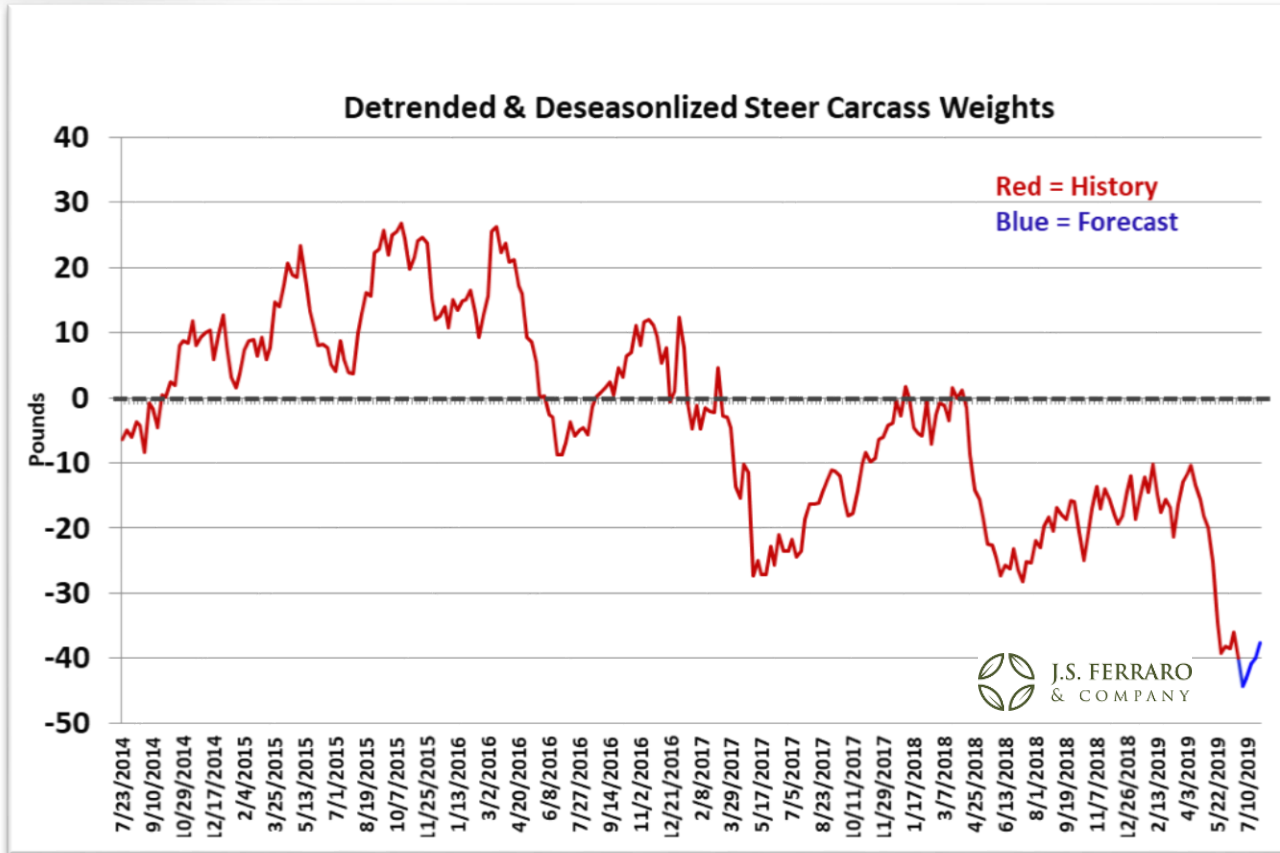


EST FI S&H SLAUGHTER



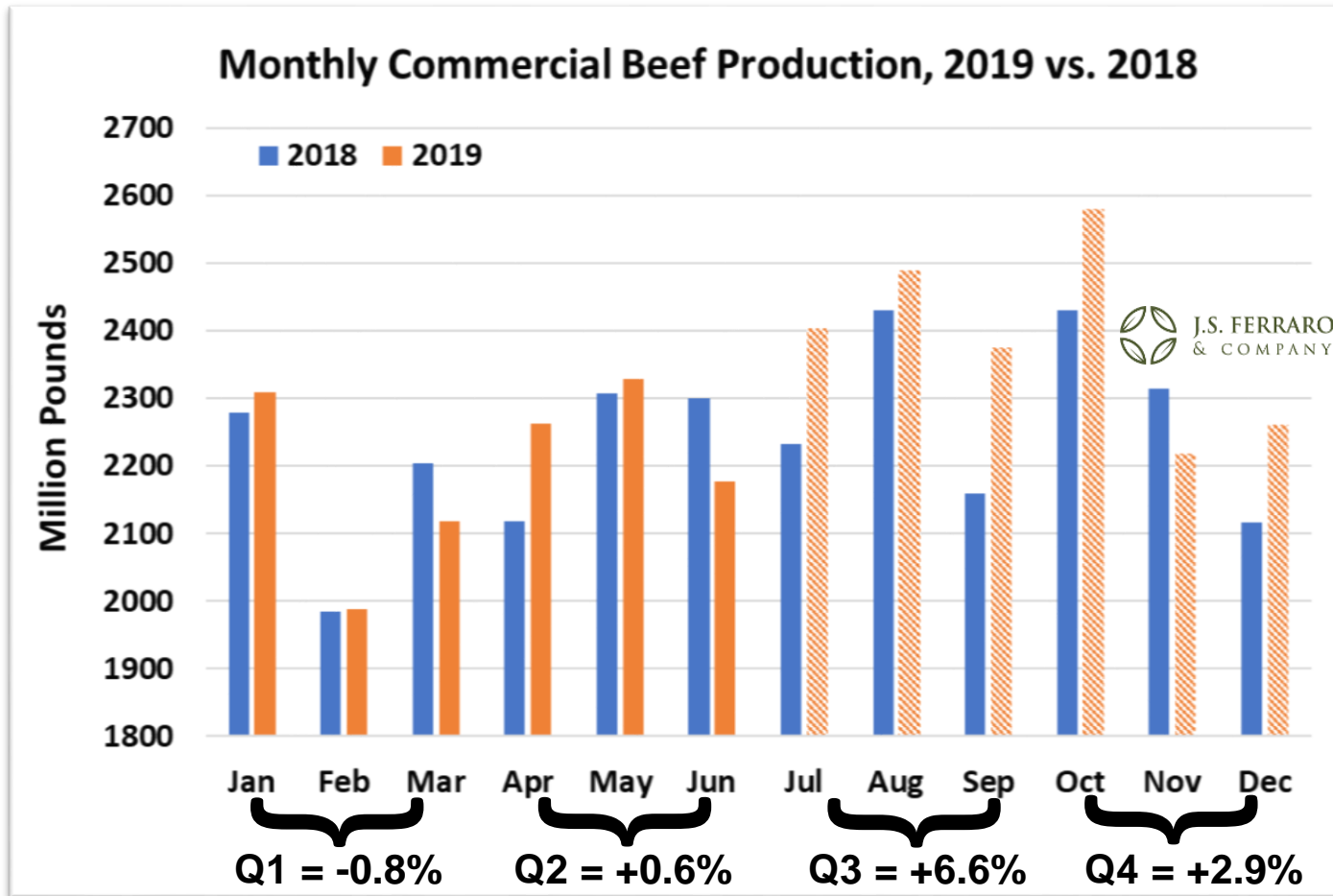
- June steer and heifer slaughter was up 1.8% YOY, with fed kills averaging around 535,000 head per week
- Our models suggest that kills could be even larger in July, perhaps exceeding 550,000 head per week.
- Strong packer profitability is driving the desire to keep kills high.
- However, packers may find that in order to keep kills elevated, they may have to bid up the price of cattle to a point where margins suffer.

DETRENDED & DESEASONALIZED STEER CARCASS WEIGHTS



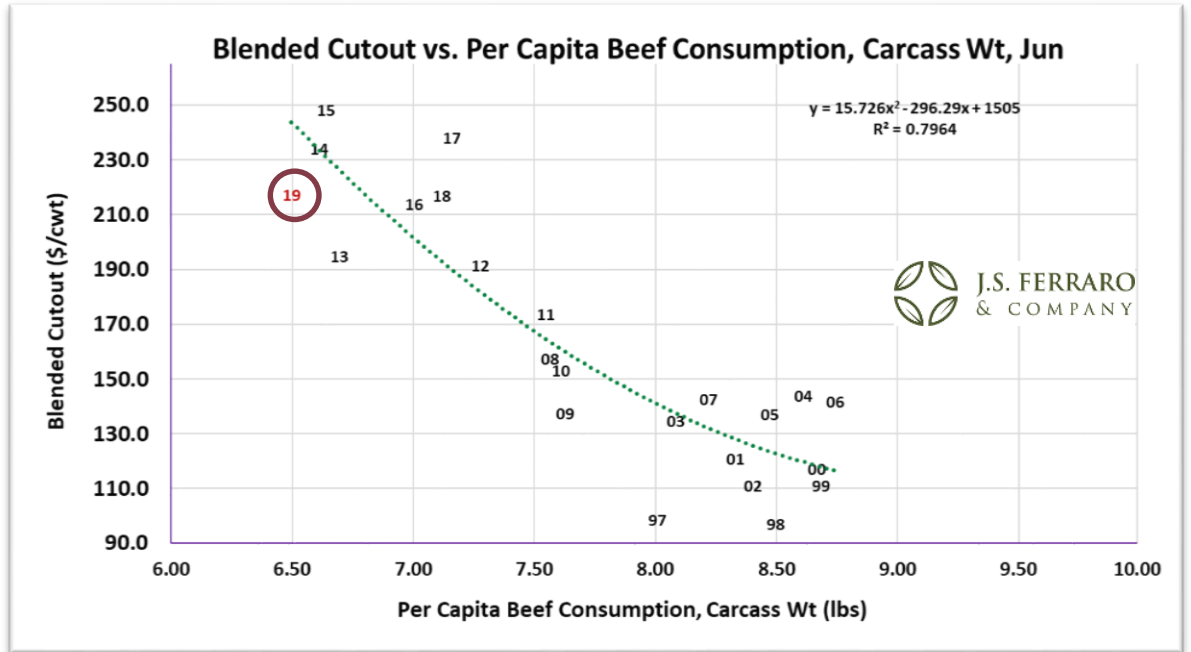
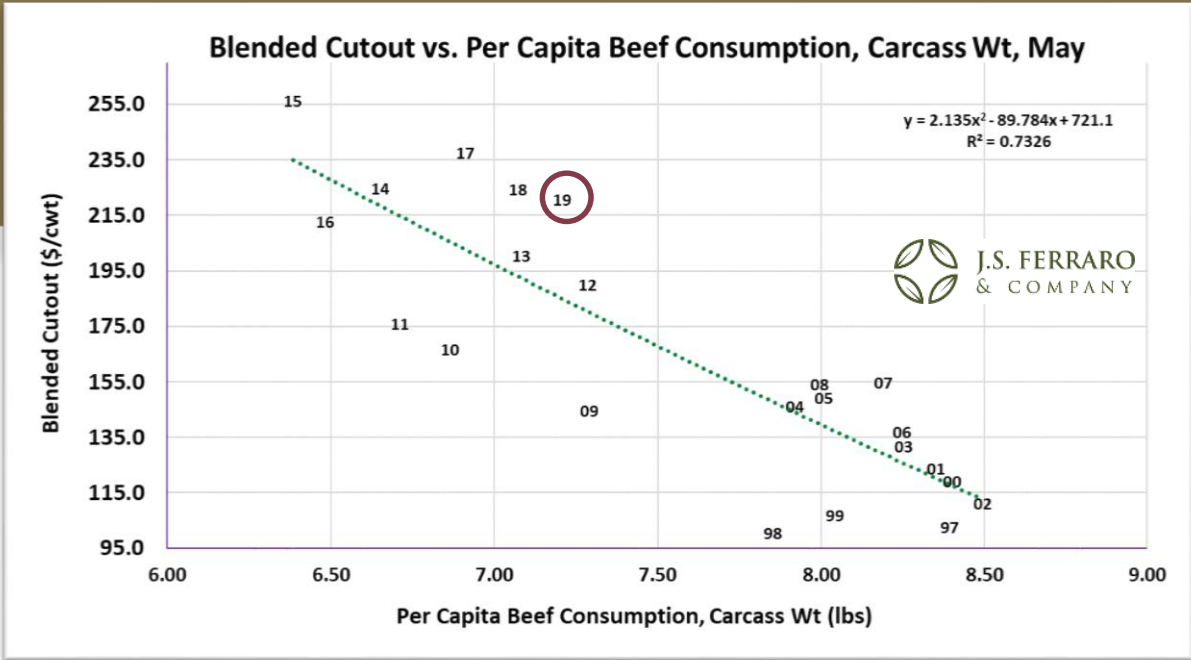
- Steer carcass weights are running about 11 pounds below last year, while heifer weights are 3 pounds under last year.
- However, carcass weights are not keeping pace with the long run trend and the normal seasonal increase.
- The DTDS weights are now down around -40—near record lows.
- This suggests that feedyards are very current in their marketings and that may put them in a position to resist lower packer bids.

MONTHLY COMMERCIAL BEEF PRODUCTION, 2019 vs. 2018



- Beef production during Q3 is projected to be up at least 6% from last year as large placements from the Feb/Mar/Apr period become market ready.
- Non-fed (cow and bull) slaughter will contribute to the YOY increase and is currently projected to be up about 6% in Q3 also.
- Q4 is looking to post a smaller increase in beef production, perhaps about 3%, but that is dependent upon the level of placements we see this summer.
- For 2019 as a whole, we see beef production up 2.4% from last year.

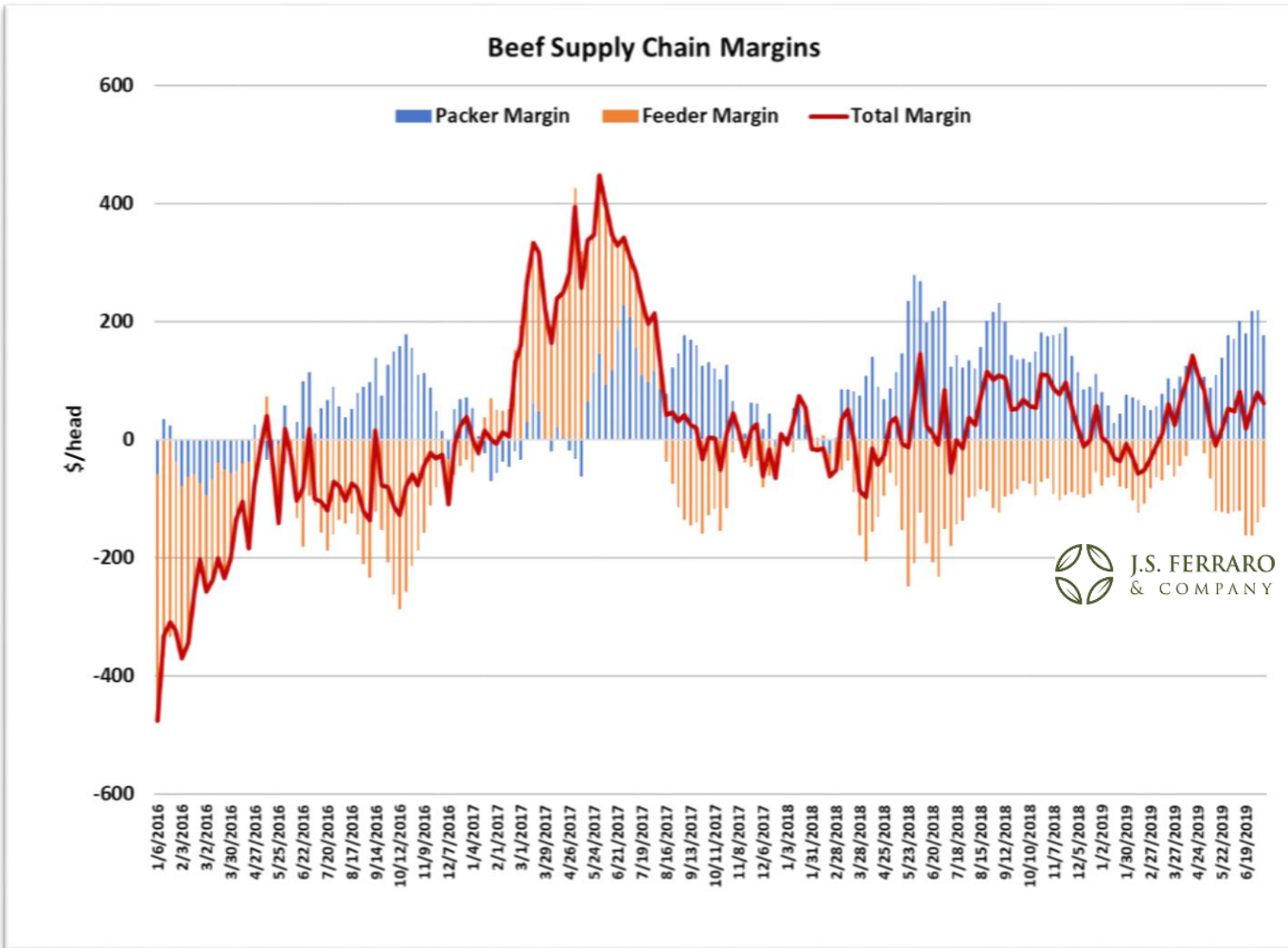
BLENDING CUTOUTS



- Domestic beef demand registered fairly strong during May, but appears to have softened considerably in June
- Lower pork prices during June may partially explain some of the erosion in beef demand.
- The July/Aug period is typically a very weak demand period due to hot weather and a lack of holiday celebrations.
- In all, domestic beef demand looks a little weak, but not seriously so. Institutional buying in the second half of July and early August could reverse that trend.

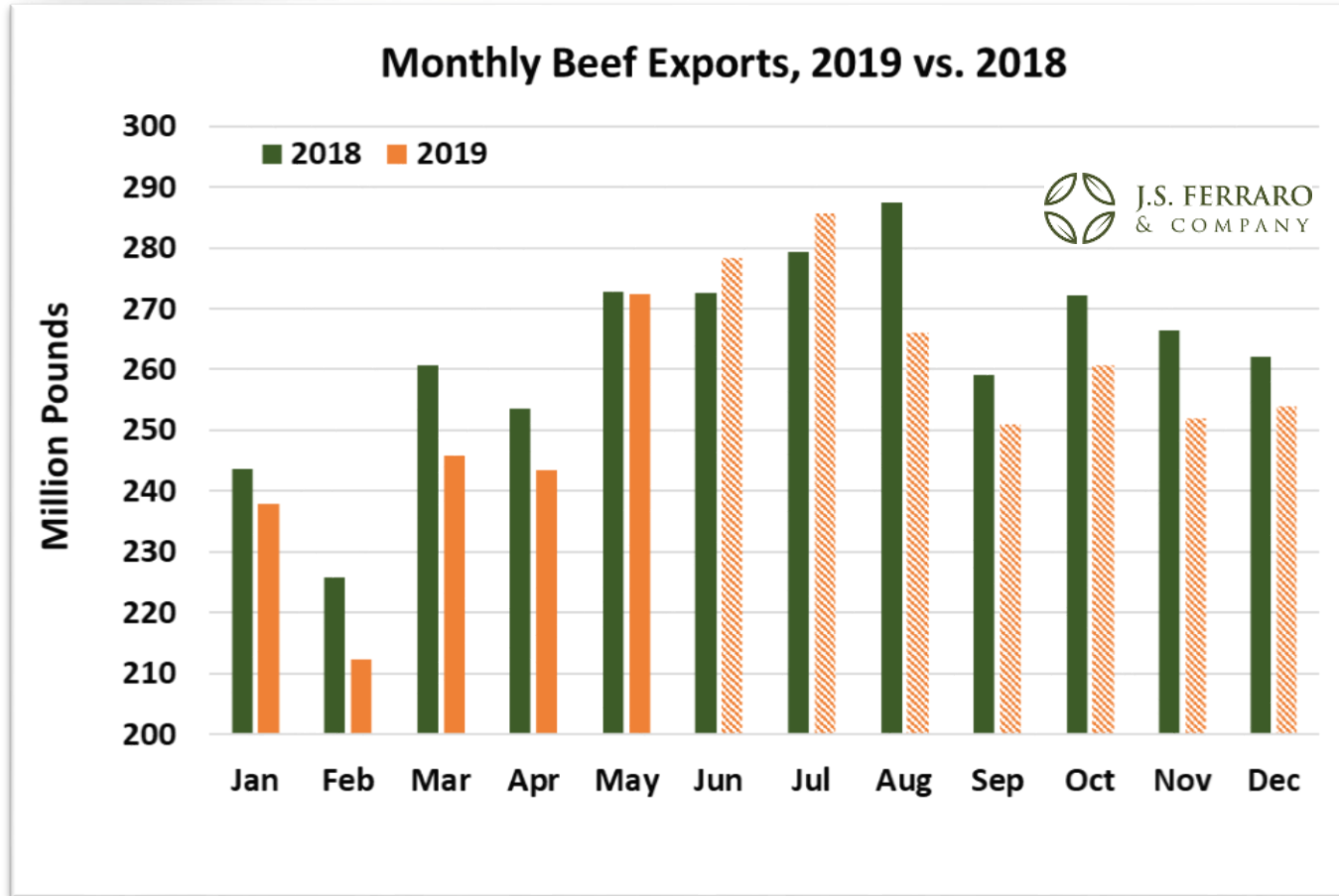


BEEF SUPPLY CHAIN MARGINS



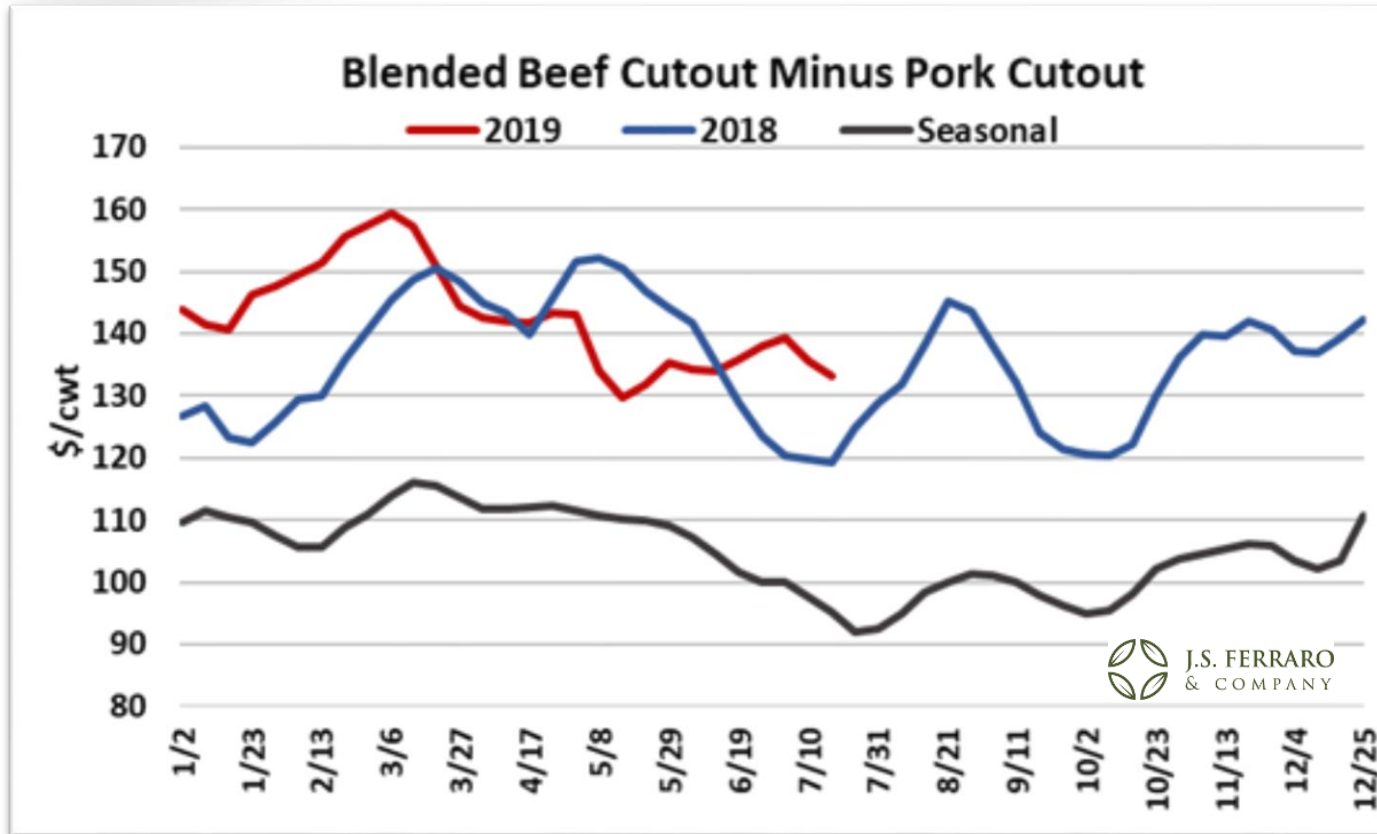
- The combined margin (packer + feeder) is tracking within the range it has been stuck in for the last couple of years.
- This indicator doesn't yet seem to be pointing to any significant problems with beef demand so far this summer.
- Beef packer margins last week were estimated to be over \$175 per head while cattle feeding margins were negative by \$115 per head.

MONTHLY BEEF EXPORTS, 2019 vs. 2018



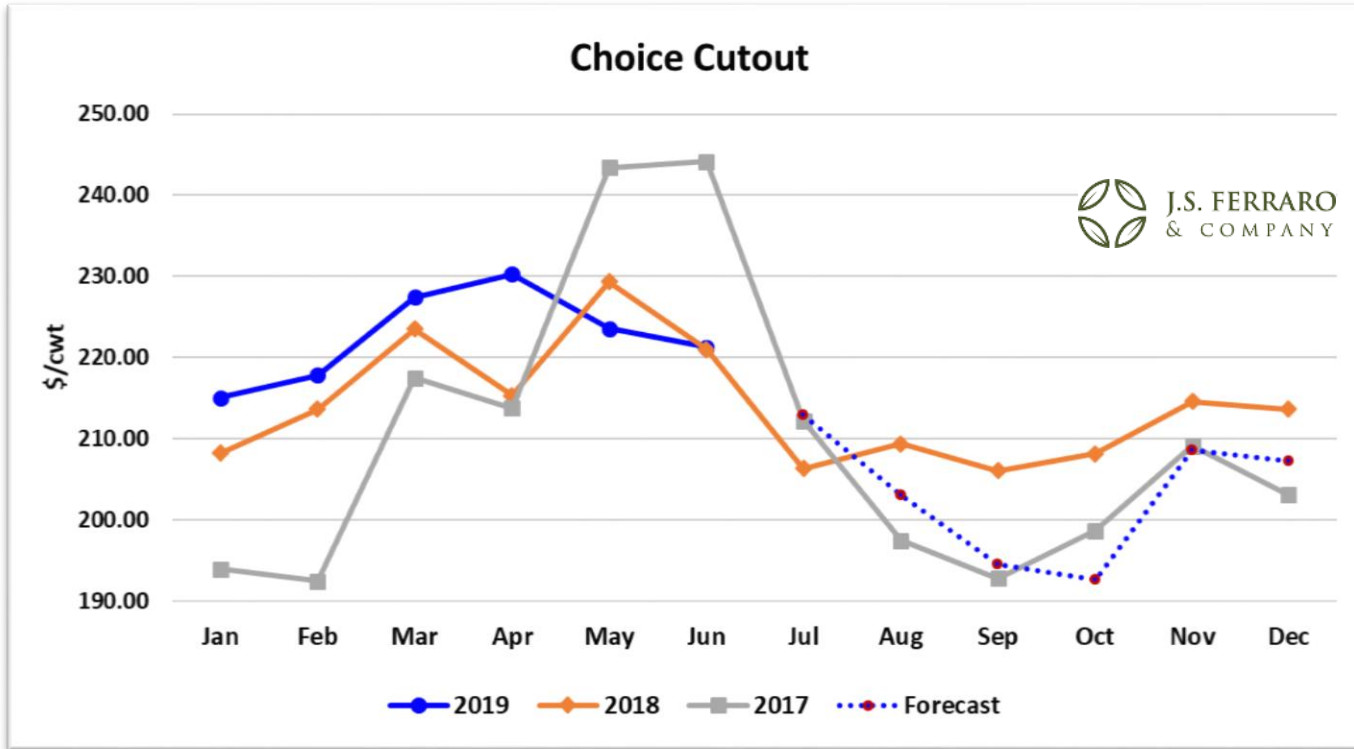
- On the international front, beef exports in May were very close to last year after tracking well below last year for the first four months of 2019.
- Lower beef prices during June and July should allow some modest year-over-year increases in beef exports.
- A weakening global economy is a threat to beef exports in the second half of 2019.
- JSF's current forecast has total beef exports for 2019 down 3%, with the risk that they could be down even more if the global economy softens dramatically late in the year.

BLENDING BEEF CUTOUT MINUS PORK CUTOUT



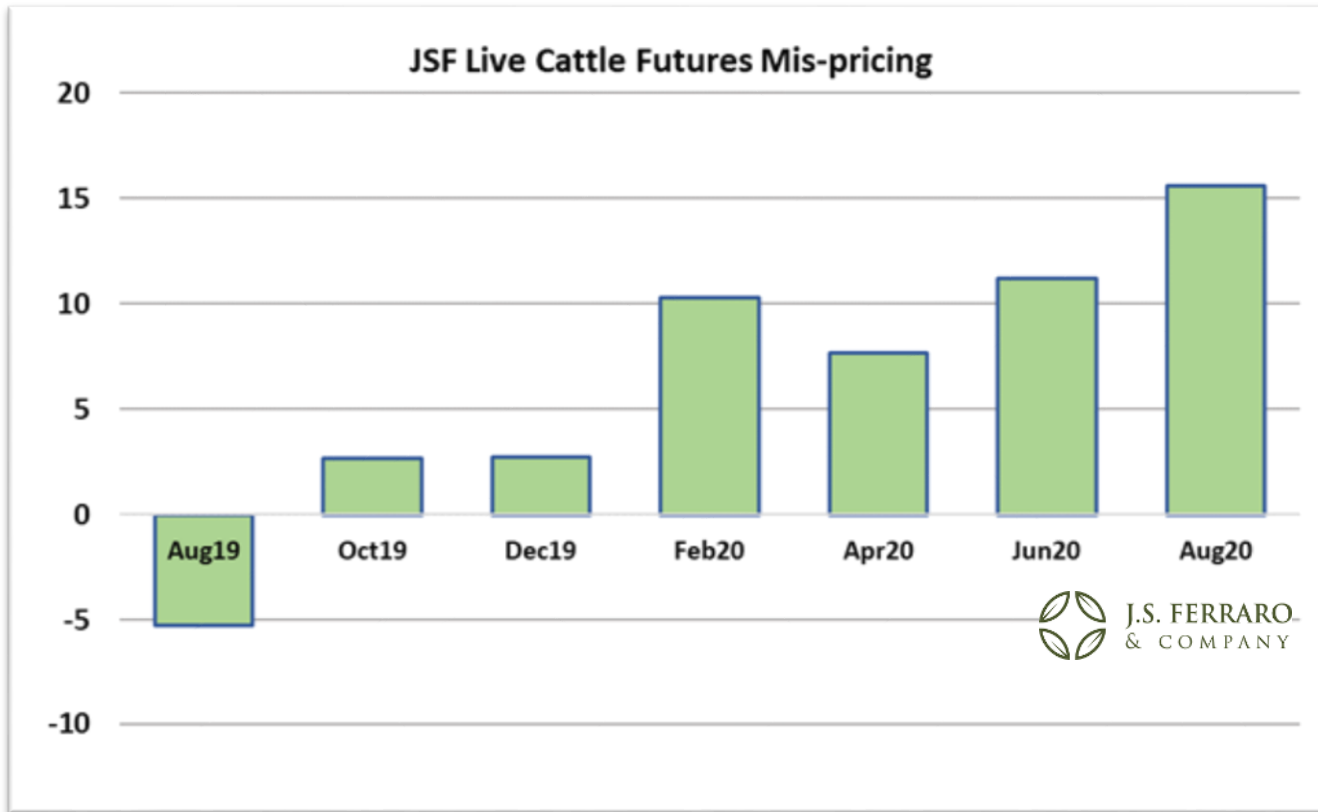
- Softer pork prices over the past few weeks have made beef less competitive relative to pork.
- The beef/pork price spread is now about \$20 higher than it was last year.
- Both beef and pork prices are projected lower in late July and early August, so this spread might not change much in the near term.
- However, retailers are averse to pork features after this spring's ASF scare and price run up. If that persists, it could weigh on pork prices and hurt beef's competitive position further.

CHOICE CUTOUT



- The Choice cutout averaged very close to last year in June, but well below the 2017 peak.
- Big production later this summer is likely to push cutout values below year ago and keep them on a downward path until October.
- Cattle prices might not follow beef prices lower, given the high level of currentness feedyards are experiencing. That would mean that packer margins shrink as we head into fall.
- Current projections have the Choice cutout averaging \$213 in 2019, about \$1 below last year.

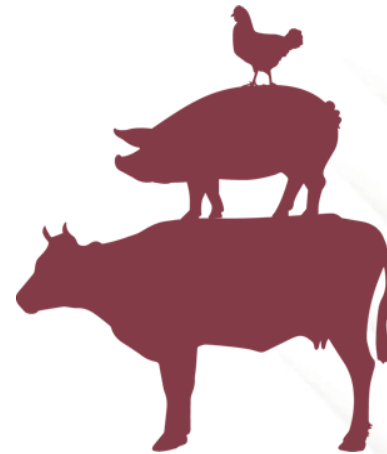
JSF LIVE CATTLE FUTURES MIS-PRICING



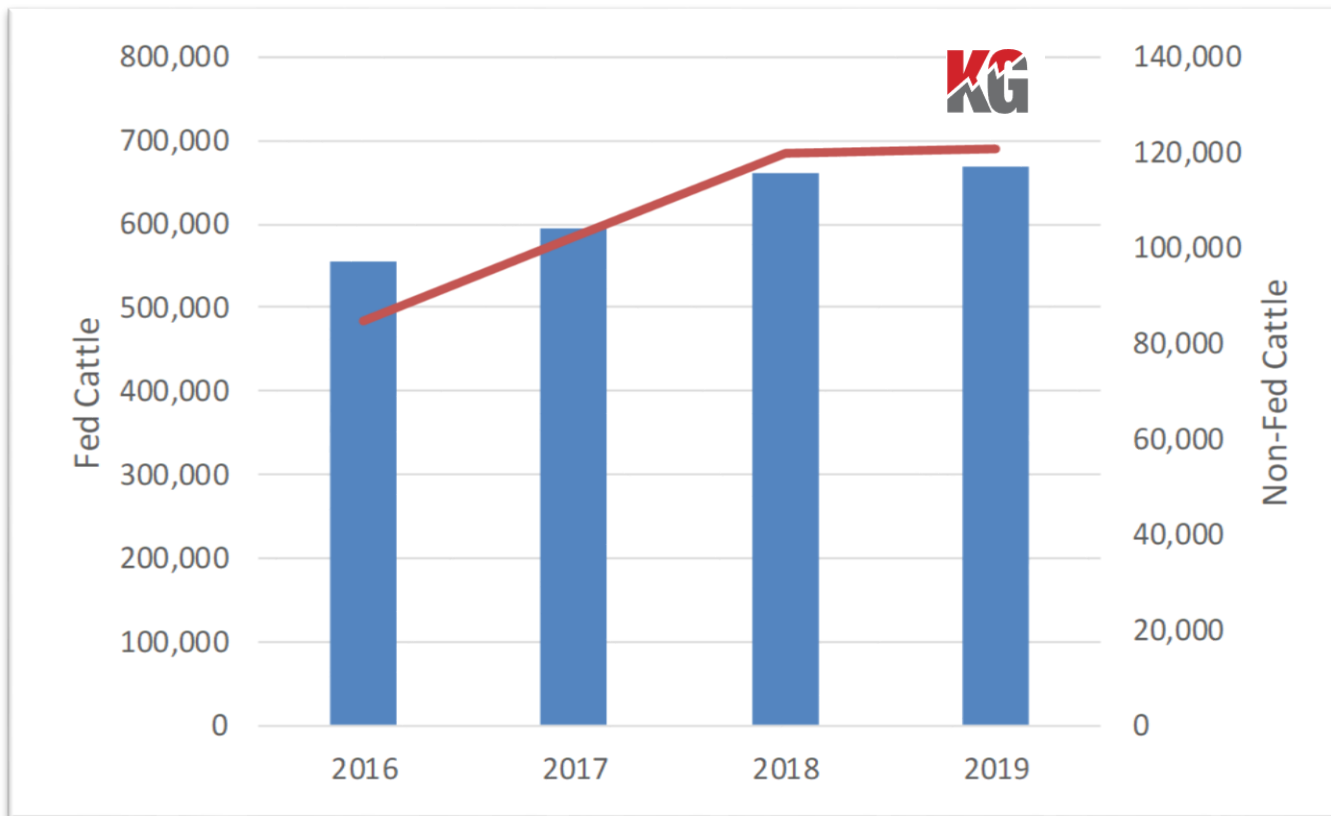
- Aug live cattle futures still look a tad too cheap at current levels.
- However, the board looks too optimistic from Oct onward, particularly for the 2020 contracts.
- Beef production could be as much as 3% higher in 2020 and a weakening economy could keep 2020 demand soft. At times we may see cattle prices below \$100 in 2020.
- Overall however, the cattle and beef complex seems to be in pretty good balance currently, unlike the hog and pork markets.

CANADIAN MARKET OUTLOOK:

CATTLE & BEEF

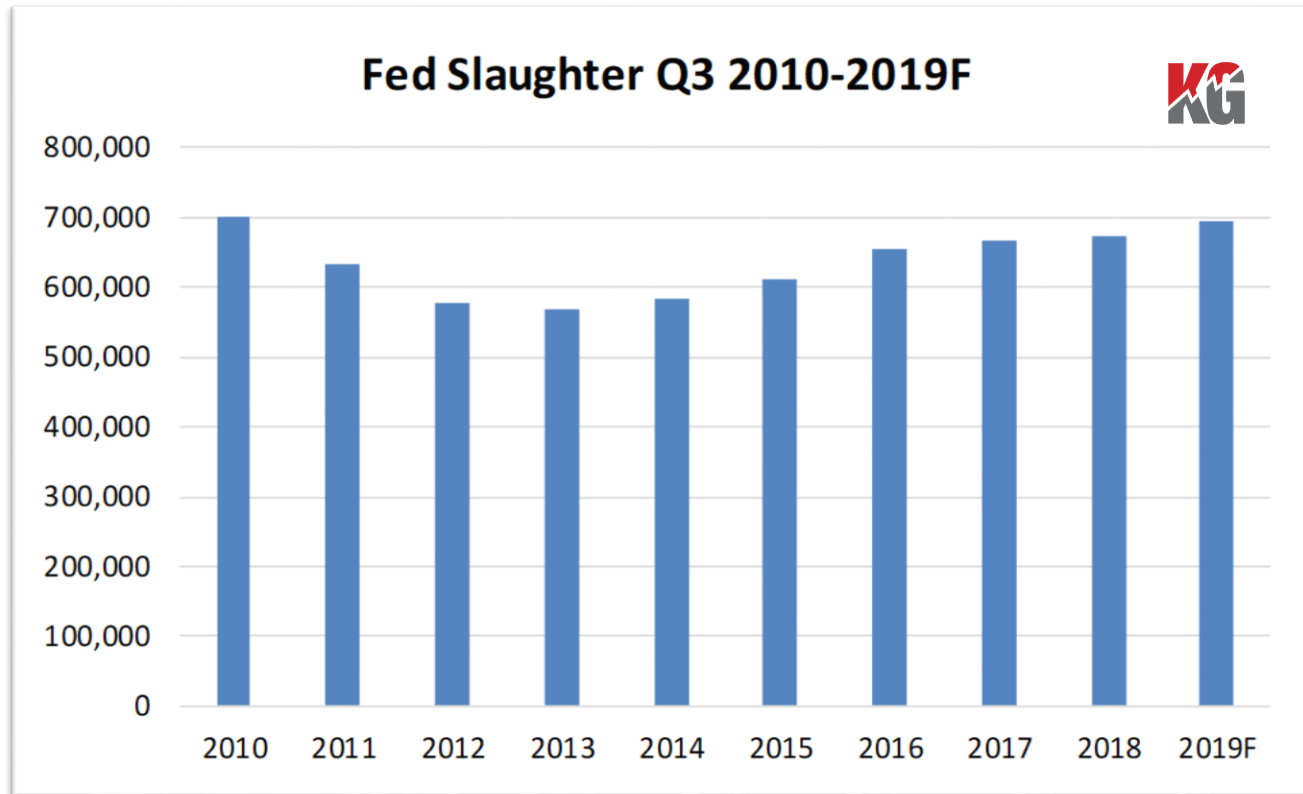


CANADIAN SECOND QUARTER CATTLE SLAUGHTER 2016-2019



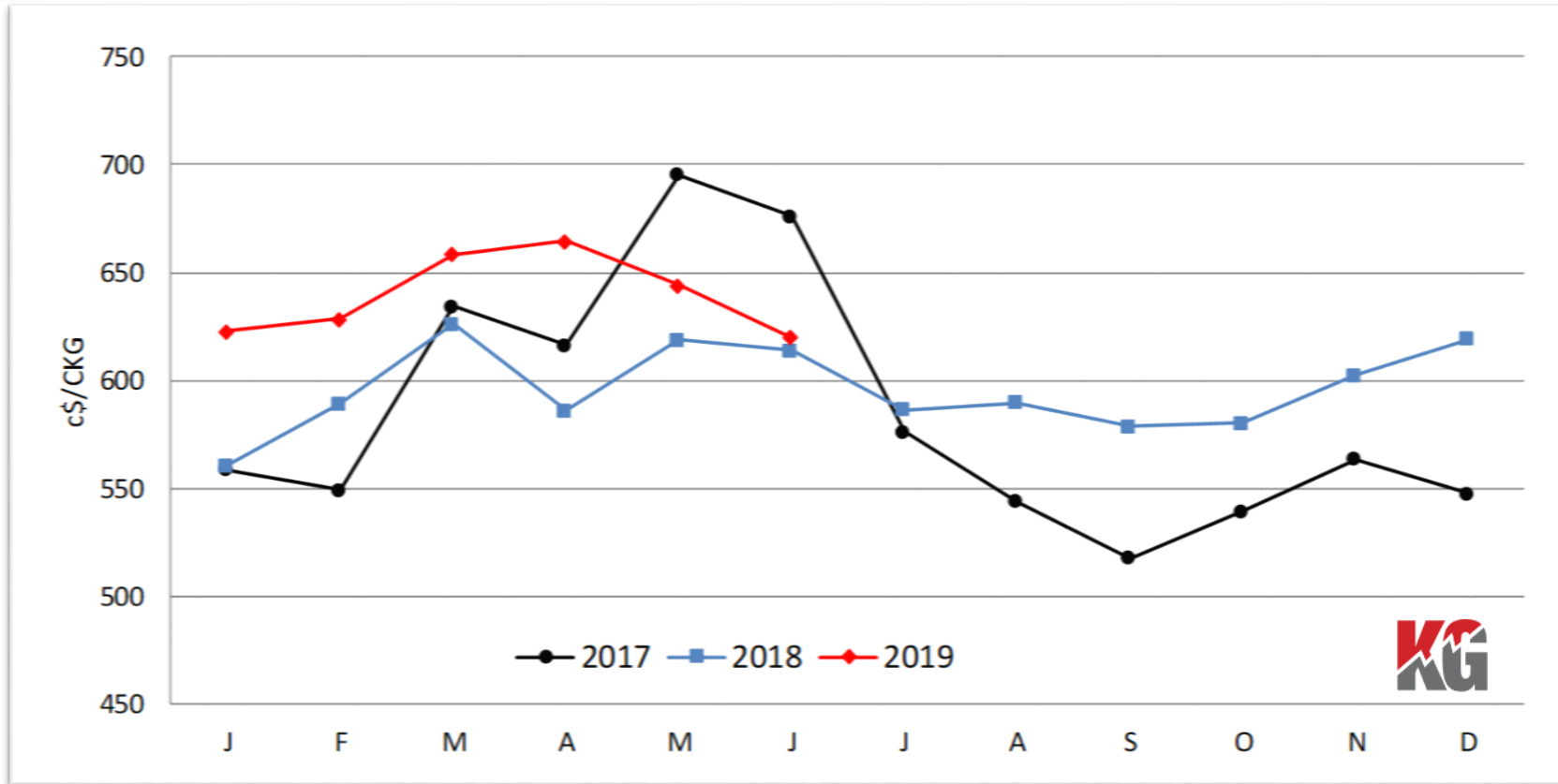
- Fed & Non-Fed 1% increase in Q2 2019; 6% 1H

CANADIAN THIRD QUARTER 2019 CATTLE SLAUGHTER



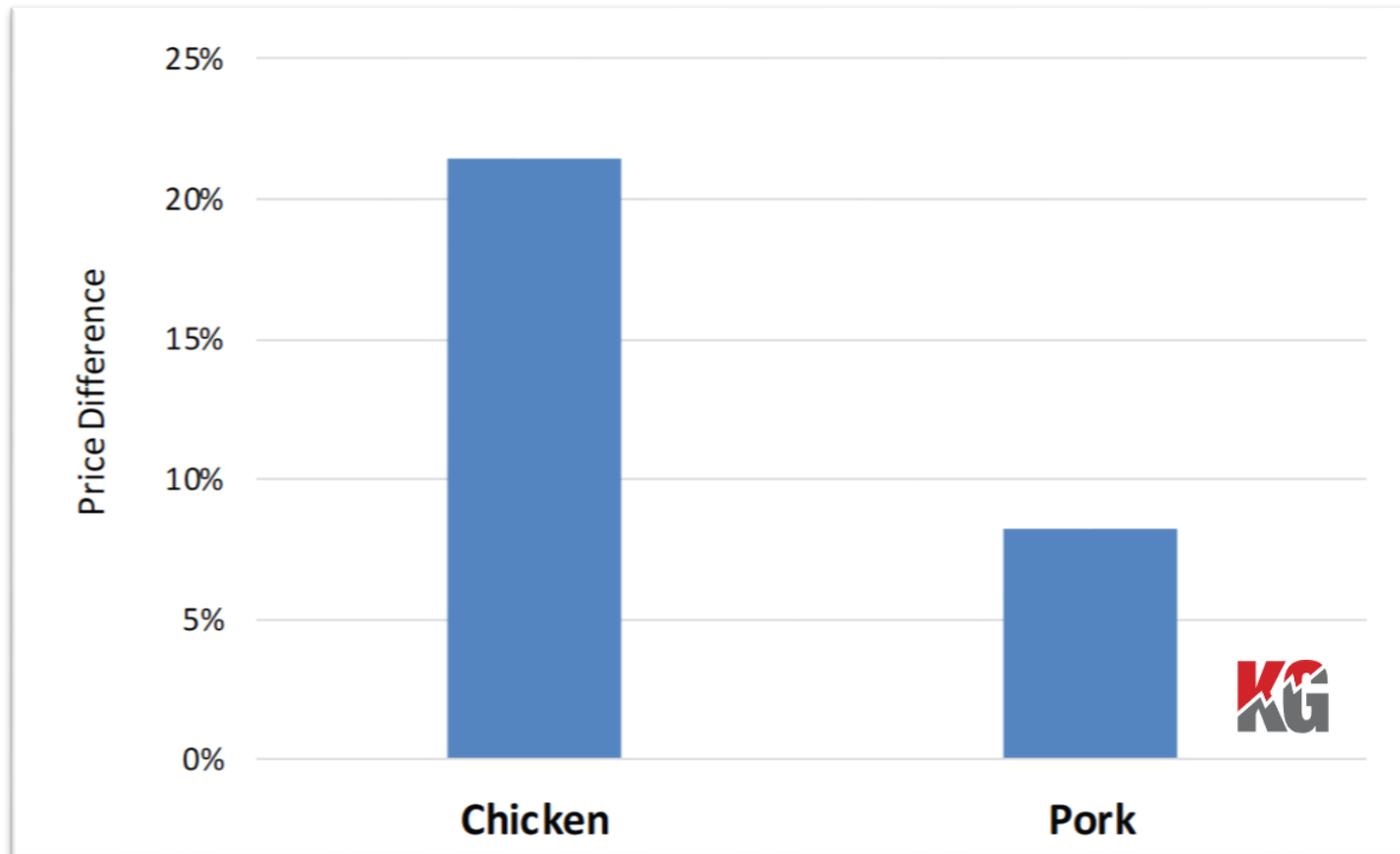
- 3% (or so) gain in fed slaughter
- Decline in non-fed.

CANADIAN BEEF CUTOUT MONTHLY 2017-2019



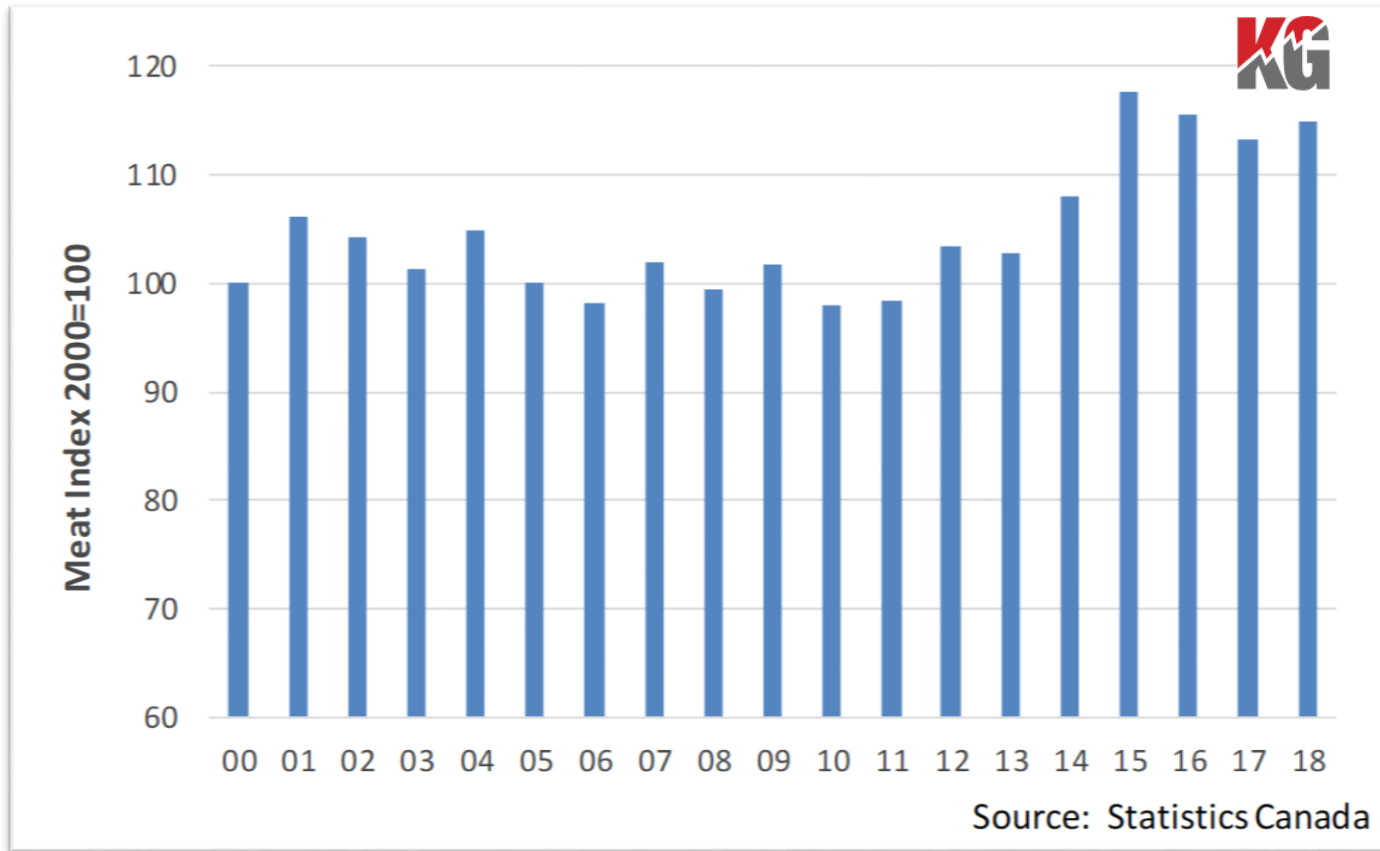
- Q2 demand impeded by weather

BEEF Q2 WHOLESALE PRICE DIFFERENTIAL VS 2016-2018 AVERAGE



- Beef remained more expensive
- Difference is easing

CANADIAN MEAT DEMAND



- 2018 consumption of meat is up
- Prices are up...
- Demand is excellent



J.S. FERRARO
& COMPANY

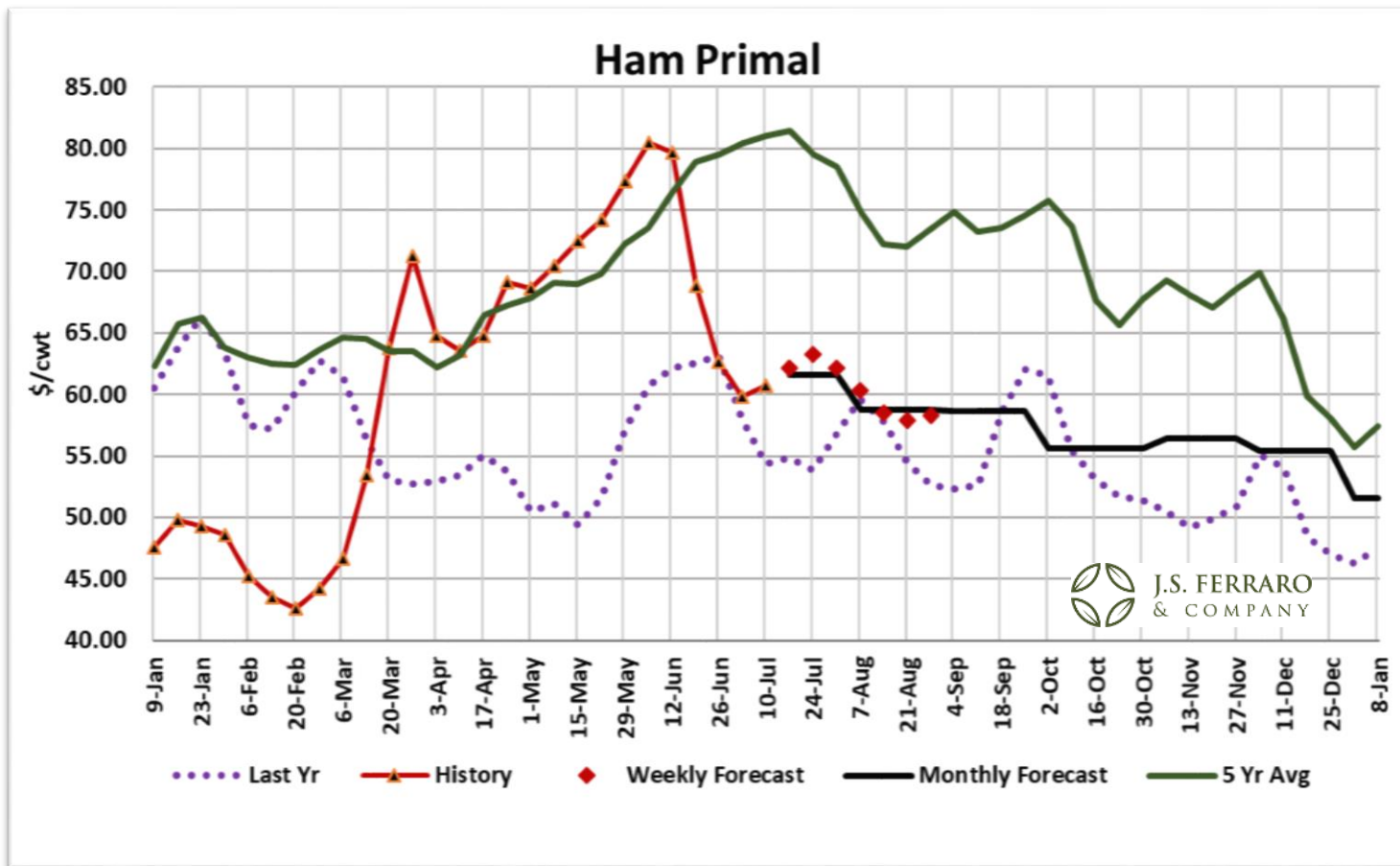


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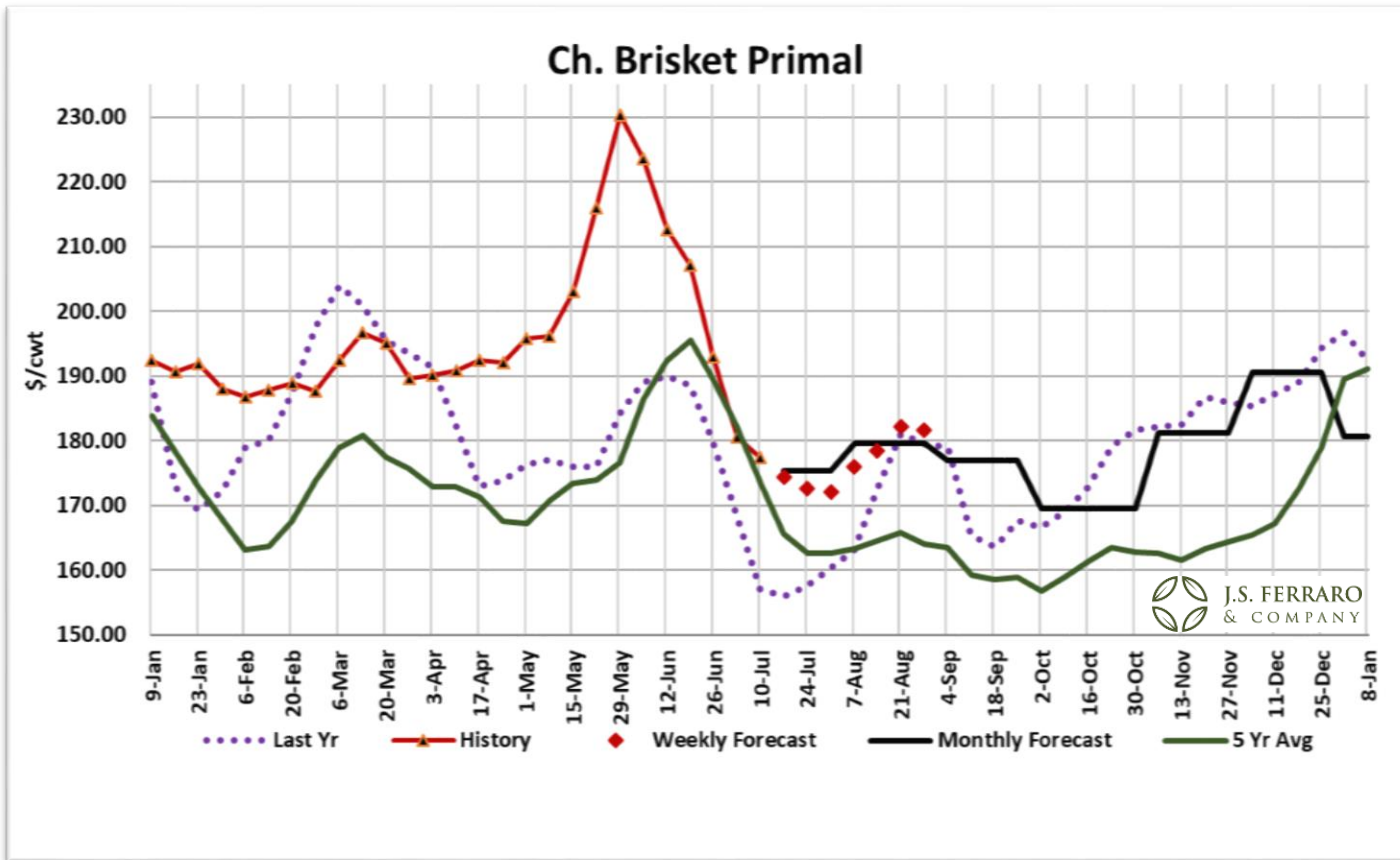
Q & A

HAM PRIMAL



- Hams are another key primal to watch because Mexico takes a lot of US hams.
- President Trump's threat to re-impose tariffs on Mexico in June caused Mexican buyers to scramble and drove the ham primal to a peak in early June.
- Those tariffs now appear to be off the table, although Trump's unpredictable nature raises the risk that they will pop up again.
- Ham prices in Q3 are expected to be near the levels seen last year, even with larger production.

CH. BRISKET PRIMAL



- Briskets caught fire this spring and the primal peaked at \$230. It has since declined, but is holding above last years levels.
- Strong demand for briskets from foodservice operators specializing in BBQ likely explains the brisket's strong performance this year.
- The forecast has briskets moving back closer to last year's level in Q3, but prices should still be historically strong.

THANK YOU

ADDITIONAL QUESTIONS:



You can email our panelists directly at:

- Mark.Jordan@LEAPmarkets.com
- Rob.Murphy@jsferraro.com
- Kevin@KevinGrier.com

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Q3 BIG PICTURE OUTLOOK:

APPENDIX



THANK YOU

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