Market Outlook: Industry Variation

9/1/2026

Lucas Wells

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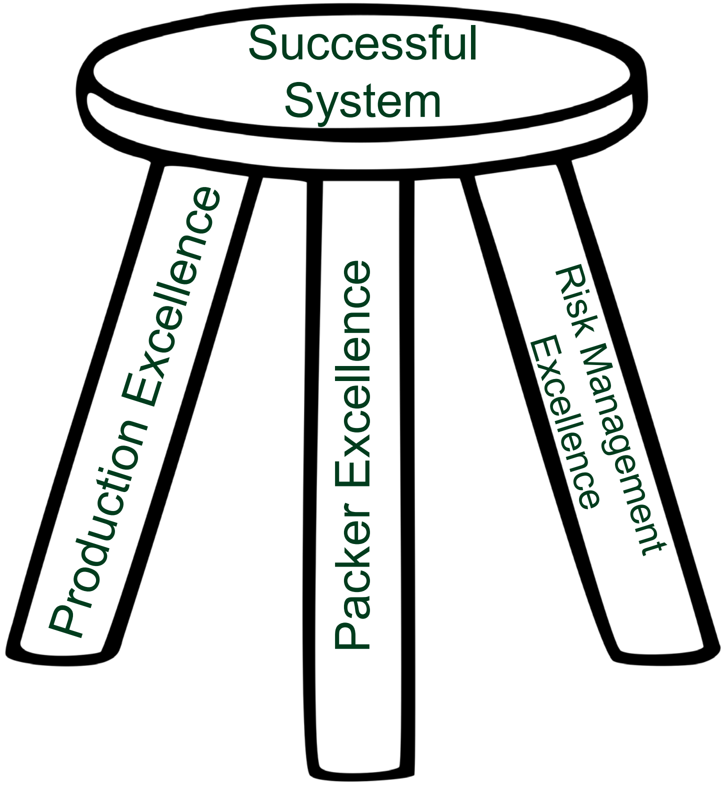
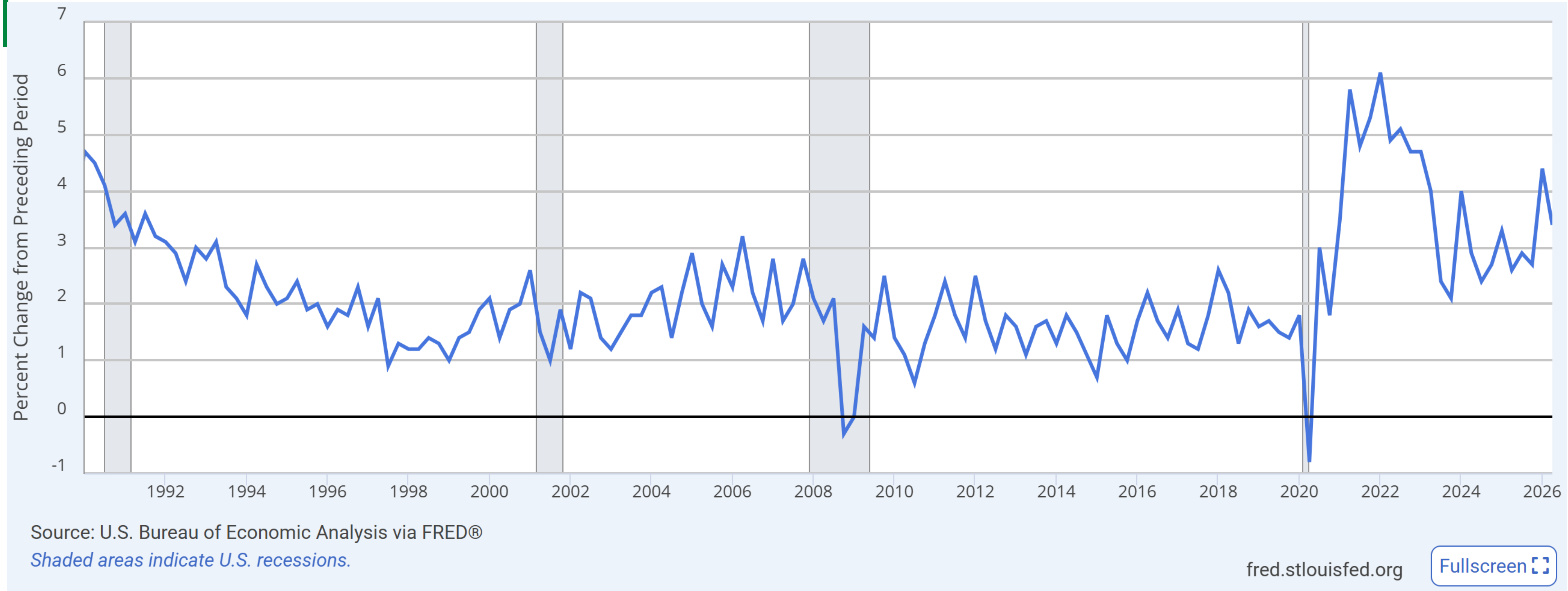
Pork Production Excellence

"It's Like a 3-Legged Stool"



Each Leg is Critical to Success!

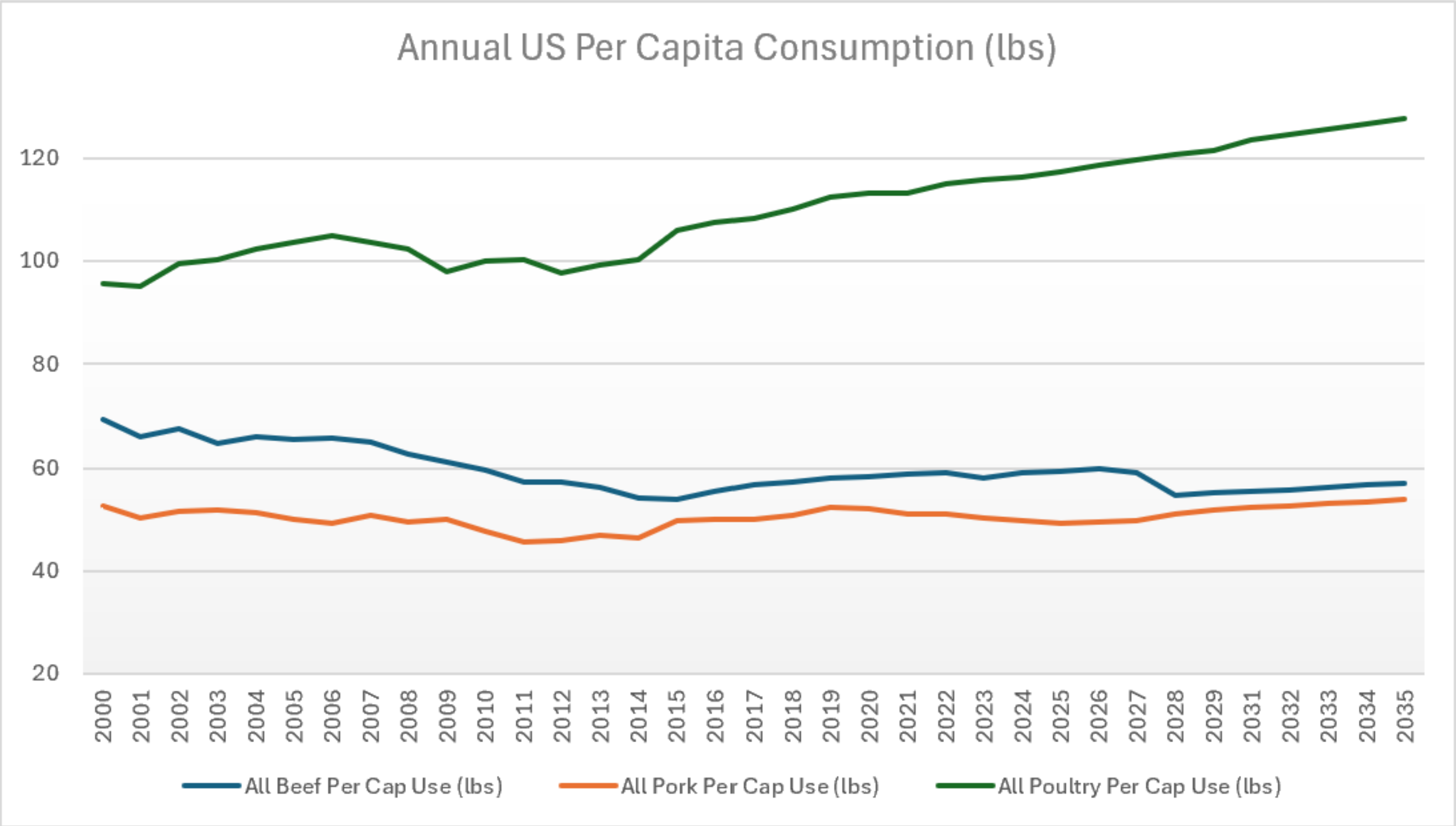
PCE Rate of Change



- Personal Consumption Expenditures, the Fed's preferred inflation measurement, remains above that Fed long-term target of 2.0% (3.7% in June 2026)

Personal Savings Rate

- US personal savings rates are near all-time lows at 2.7%



Source; USDA

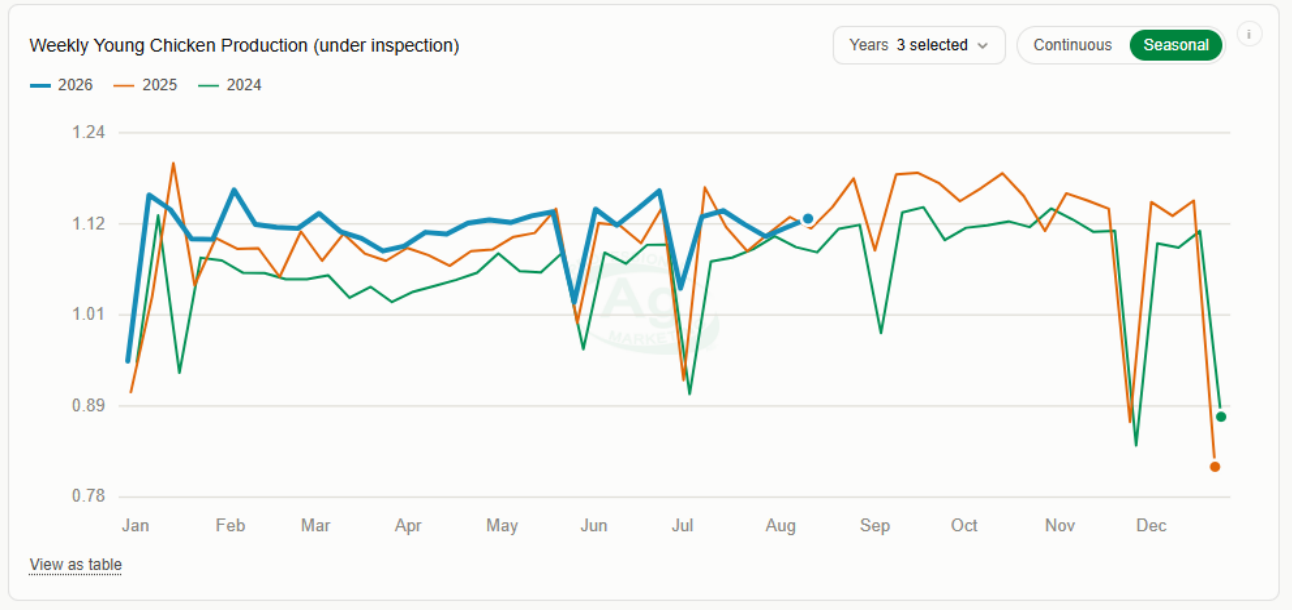
- Per capita pork demand stays relatively flat next year then grows 1% annually on average late 2020's thru 2035

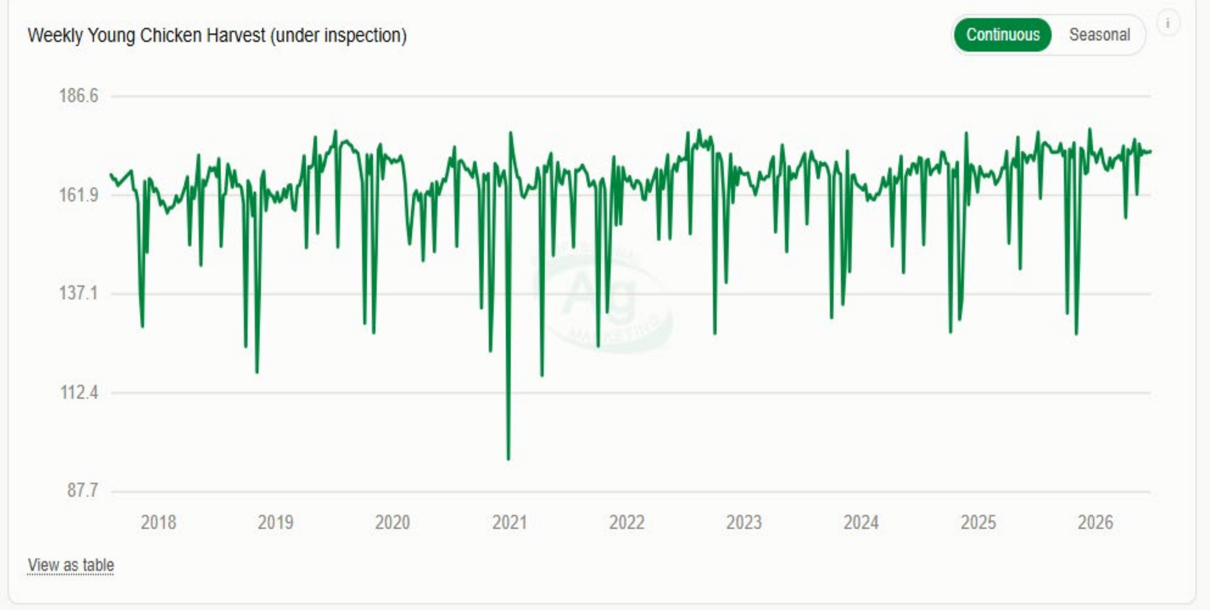
- All poultry per capita demand expected to grow 0.8% annually on average going forward thru 2035

- Beef per capita demand expected to drop 4% over next couple of years before growing at 0.5% annually 2029 thru 2035

Year	All Beef Per Cap Use (lbs)	All Pork Per Cap Use (lbs)	All Poultry Per Cap Use (lbs)
2000	69.4	52.5	95.8
2001	66.2	50.2	95.2
2002	67.6	51.5	99.6
2003	64.9	51.8	100.4
2004	66.1	51.3	102.3
2005	65.5	50	103.7
2006	65.8	49.3	105.1
2007	65.2	50.8	103.7
2008	62.8	49.5	102.5
2009	61.1	50.1	97.9
2010	59.6	47.7	100.0
2011	57.3	45.7	100.4
2012	57.4	45.9	97.8
2013	56.3	46.8	99.2
2014	54.1	46.4	100.3
2015	53.9	49.7	106.0
2016	55.6	50.1	107.7
2017	56.9	50.1	108.5
2018	57.2	50.9	110.1
2019	58.1	52.4	112.5
2020	58.4	52	113.4
2021	58.9	51.1	113.4
2022	59.1	51.1	115.2
2023	58.1	50.2	115.9
2024	59.1	49.9	116.5
2025	59.3	49.3	117.4
2026	59.8	49.6	118.7
2027	59.2	49.9	119.7
2028	54.7	51.0	120.7
2029	55.3	51.9	121.7
2031	55.6	52.4	123.8
2032	55.8	52.5	124.8
2033	56.3	53.0	125.8
2034	56.7	53.5	126.8
2035	56.9	54.0	127.8

Weekly Young Chicken Harvest (under inspection)

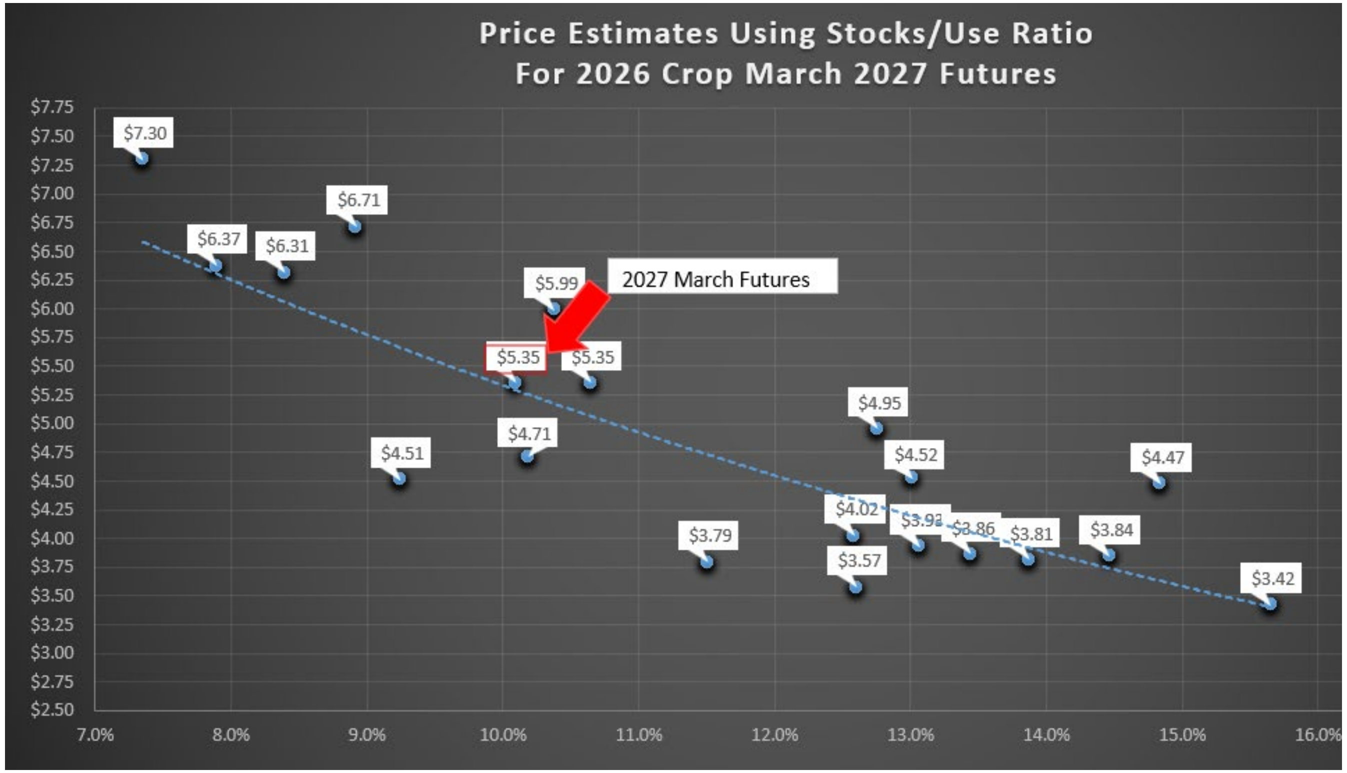




Running +2.7% YTD

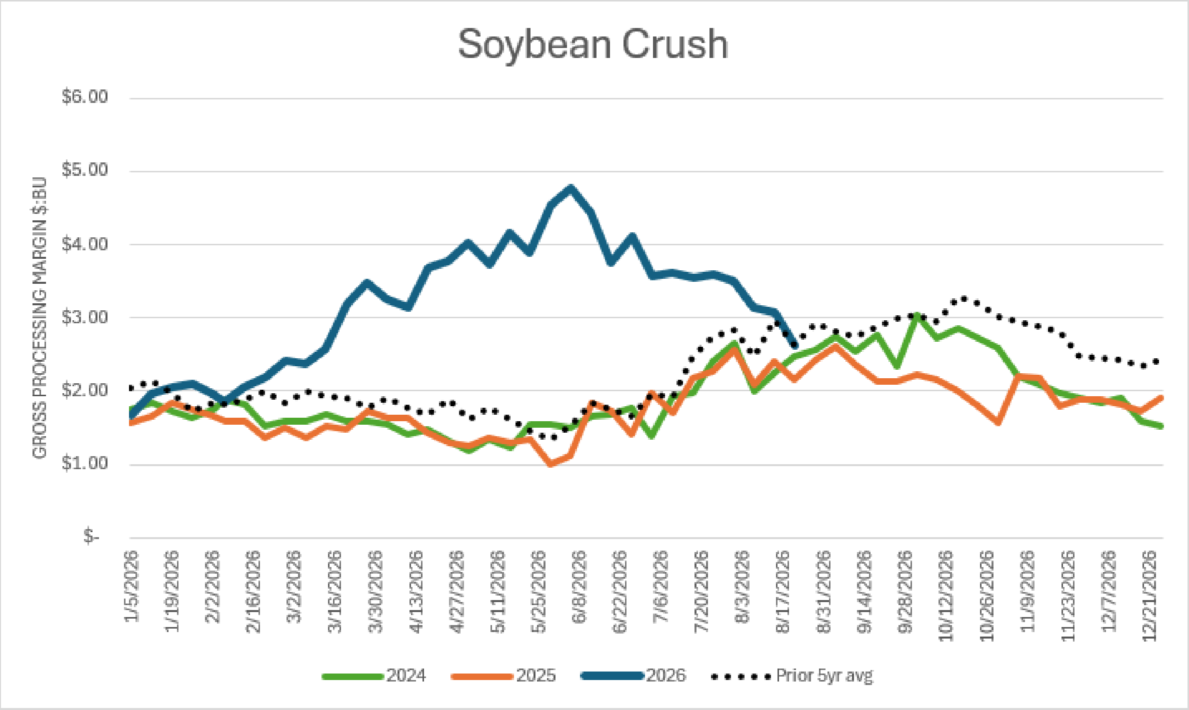
Corn Balance Sheet Impact

	Interactive	Interactive	Interactive
Area (Mil Acres)	**actual 26/27**	**low 26/27**	**high 26/27**
Planted	96.7	96.70	96.7
Harvested	88.6	88.6	88.6
Yield	180.70	177.50	173.20
Beginning Stocks	1,945	1,945	1,945
Production	16,013	15,729	15,348
Imports	25	25	25
Supply, Total	17,983	17,699	17,318
Feed & Residual	6,100	6,100	6,100
Food, Seed & Ind.	1,355	1,355	1,355
Ethanol	5,600	5,600	5,600
Domestic Total	13,055	13,055	13,055
Total Exports	3,275	3,275	3,275
Use, Total	16,330	16,330	16,330
Ending Stocks	**1,653**	**1,369**	**988**
Stocks/Use Ratio	**10.1%**	**8.4%**	**6.1%**



Soybeans

USDA Supply & Demand Report- Soybeans		
Yearly Historical Final Reports	*Interactive*	*USDA*
Area (Mil Acres)	**Aug 26-27**	**Aug 26-27**
Planted	86.8	86.8
Harvested	85.8	85.8
Yield	53.30	52.70
Beginning Stocks	325	325
Production	4,571	4,519
Imports	25	25
Supply, Total	4,921	4,869
Crushings	2,780	2,780
Exports	1,660	1,660
Seed	73	73
Residual	37	37
Use, Total	4,550	4,549
Ending Stocks	**371**	**319**
Stocks/Use Ratio	**8.2%**	**7.0%**

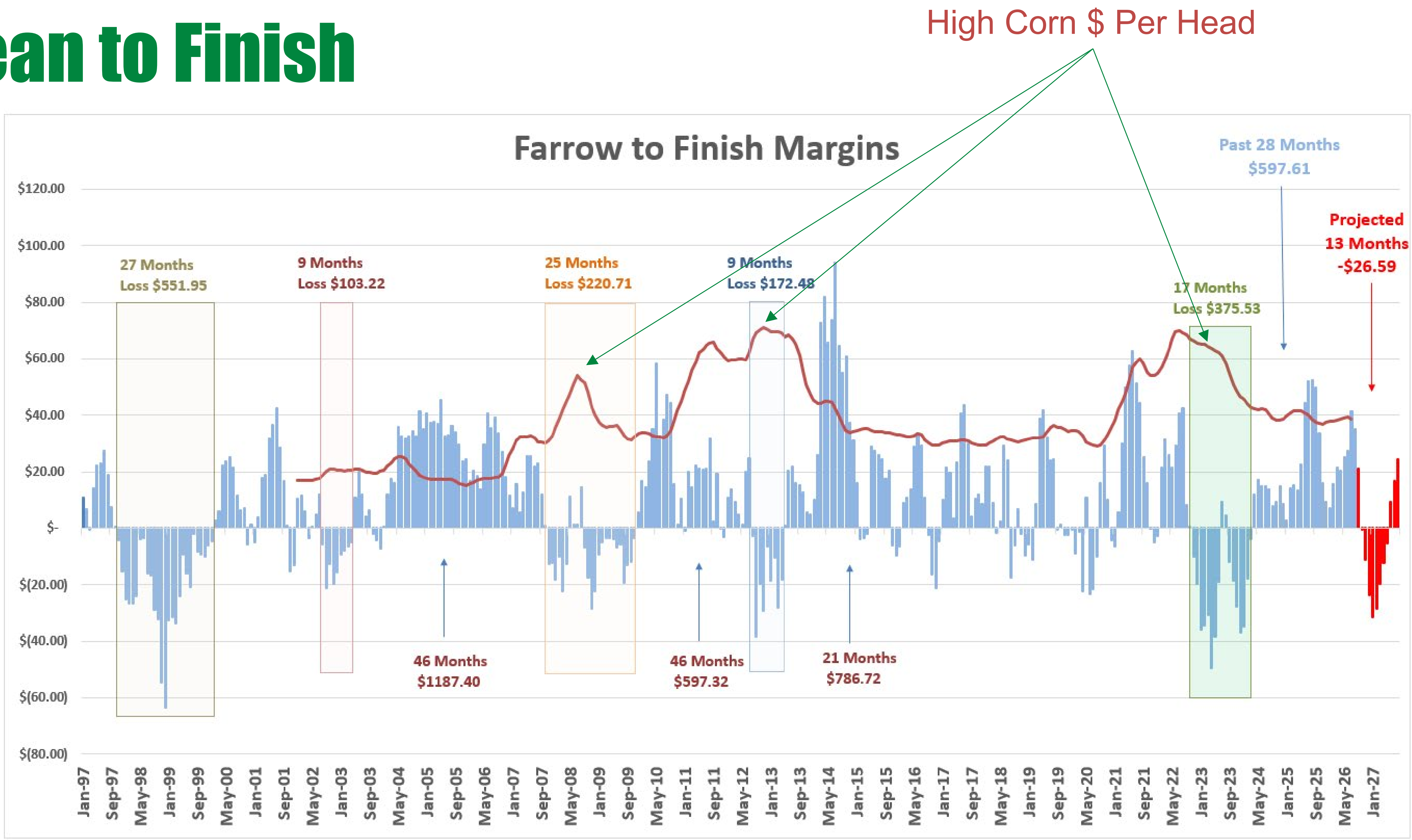


August 21, 2026	vs Prev 4 wk	vs LY	vs 5YR
$ 2.62	-21.2%	21.3%	-0.6%

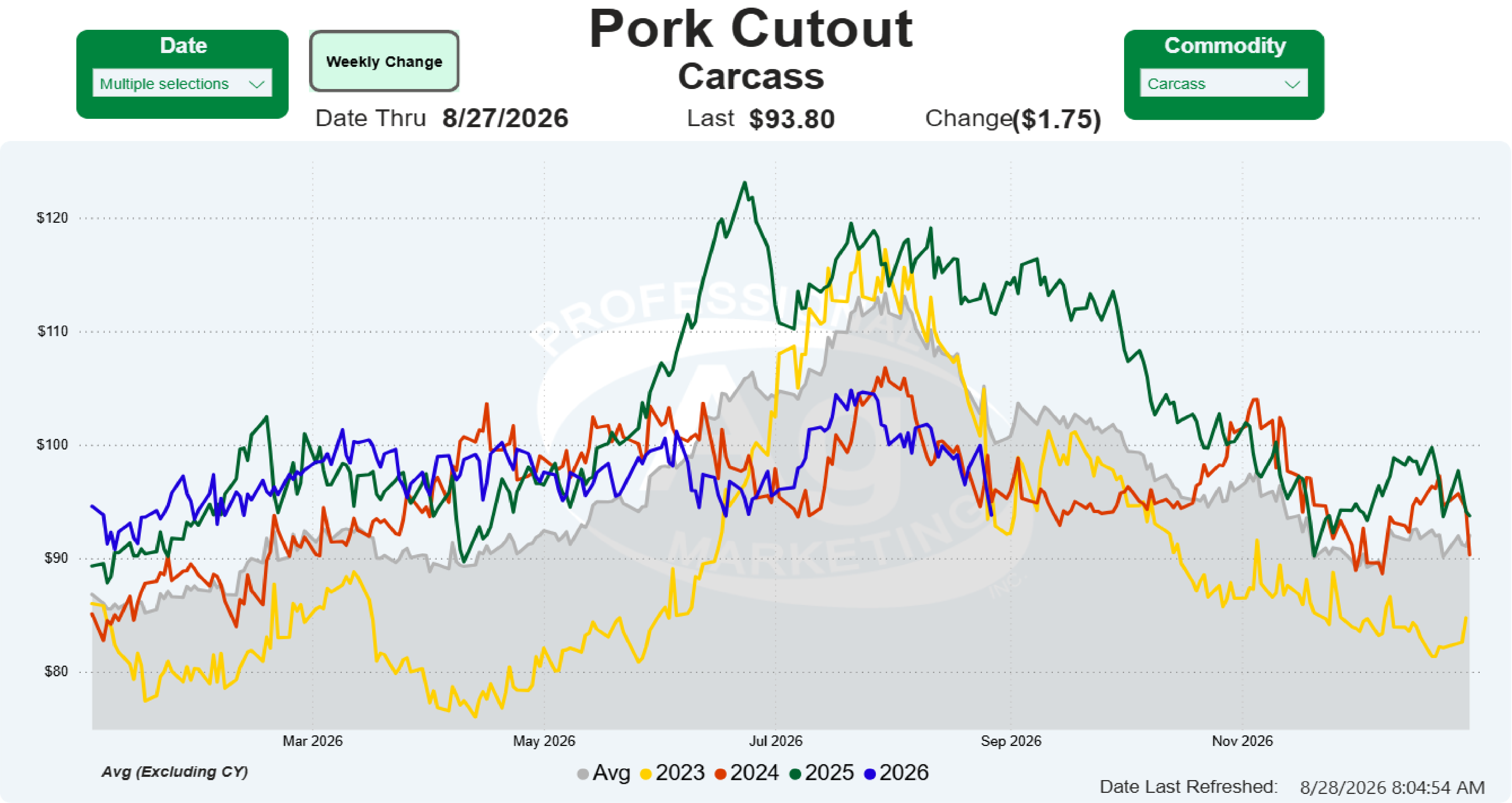
- Soybean crush margins rallied sharply with crude oil following the onset of the US-Iran conflict.
- Margins have eased since late spring and have returned to historical averages

- Soybean exports are record high in the 2025/26 marketing year and are on pace to meet the USDA forecast of 20.5 MMT
- Strength in soybean meal exports is expected to continue with the USDA forecasting another record for the 2026/26 marketing year of 22.7 MMT

Wean to Finish



Based on IA State Wean to Finish Margins Historically: Pro Ag Basic Projections



USDA retail feature data reflects the competitive positioning of the major proteins, with pork continuing to receive significant promotional attention and chicken maintaining a strong value position. Beef promotions remain prominent, though higher price points make targeted features and cost-effective cuts increasingly relevant.

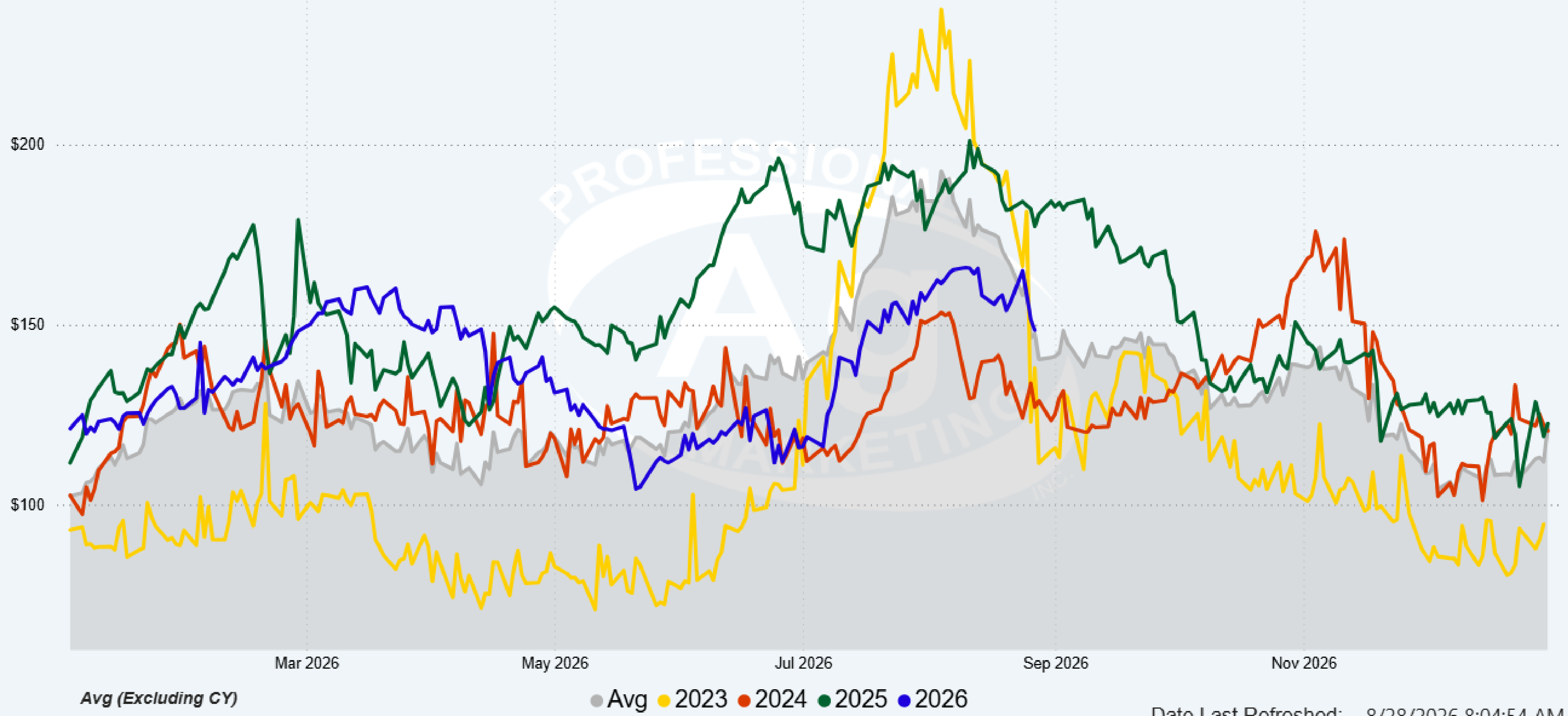
Pork Cutout
Belly

Date: Multiple selections

Weekly Change

Commodity: Belly

Date Thru **8/27/2026** Last **$148.48** Change**($2.94)**



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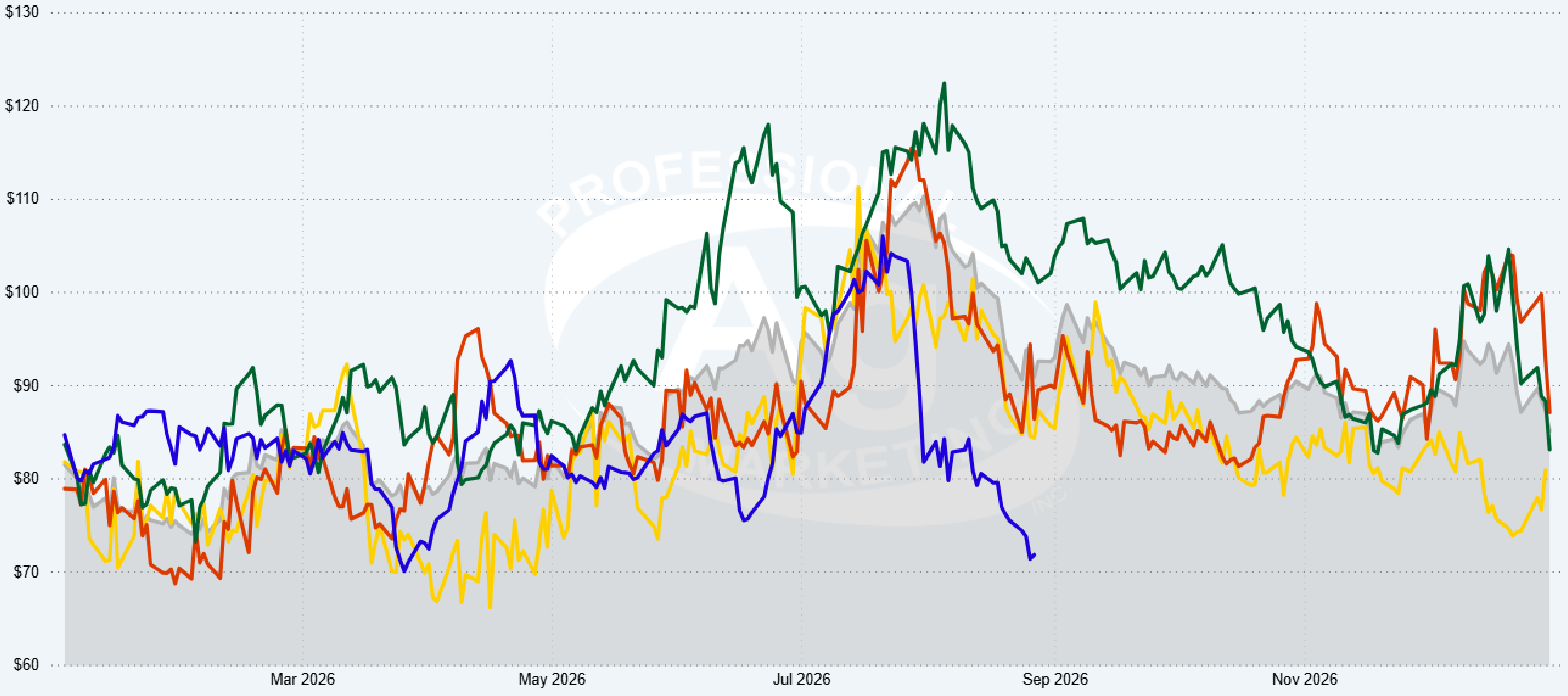
Pork Cutout
Ham

Date: Multiple selections

Weekly Change

Commodity: Ham

Date Thru **8/27/2026** Last **$71.79** Change **$0.44**



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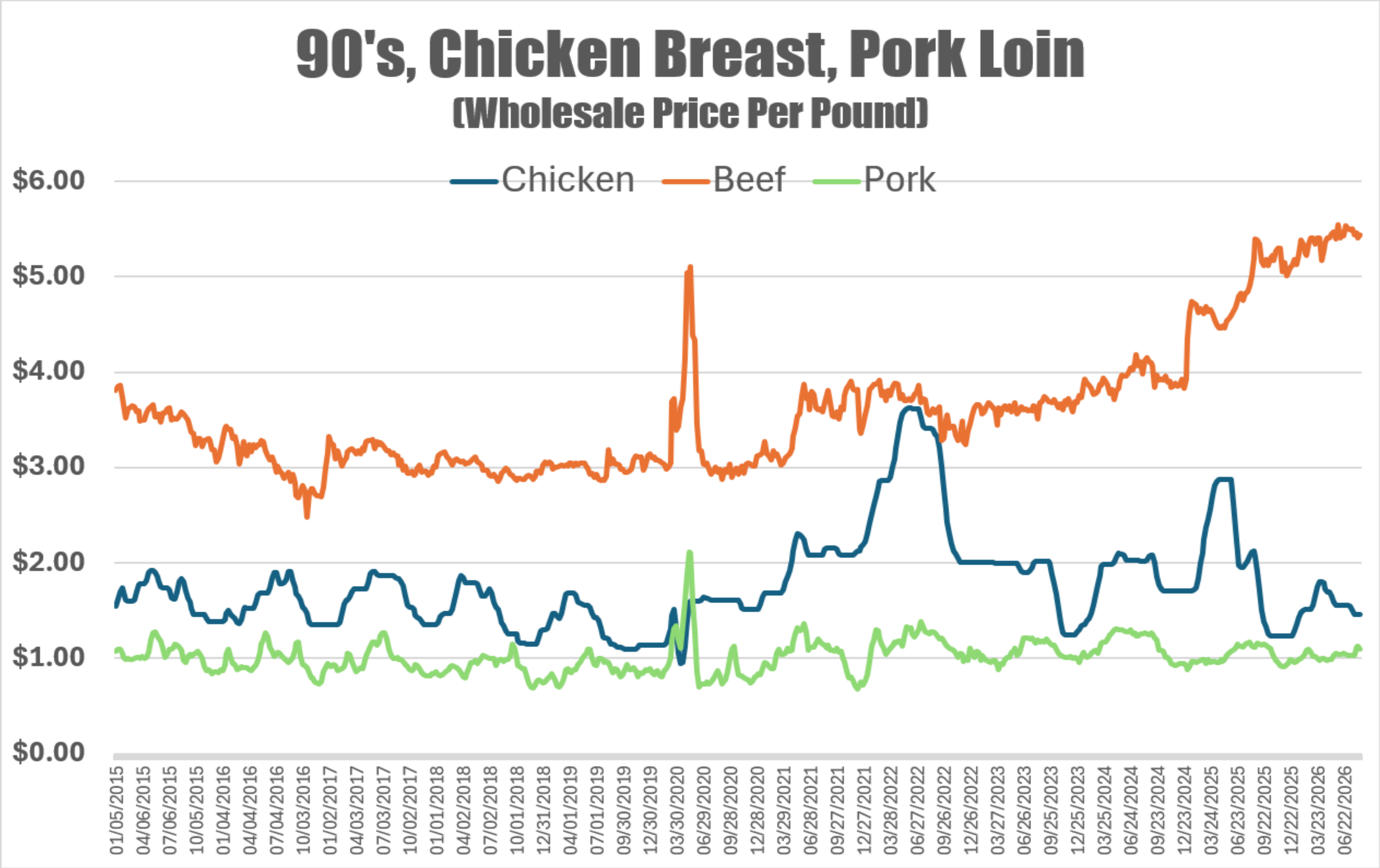
Competing Proteins



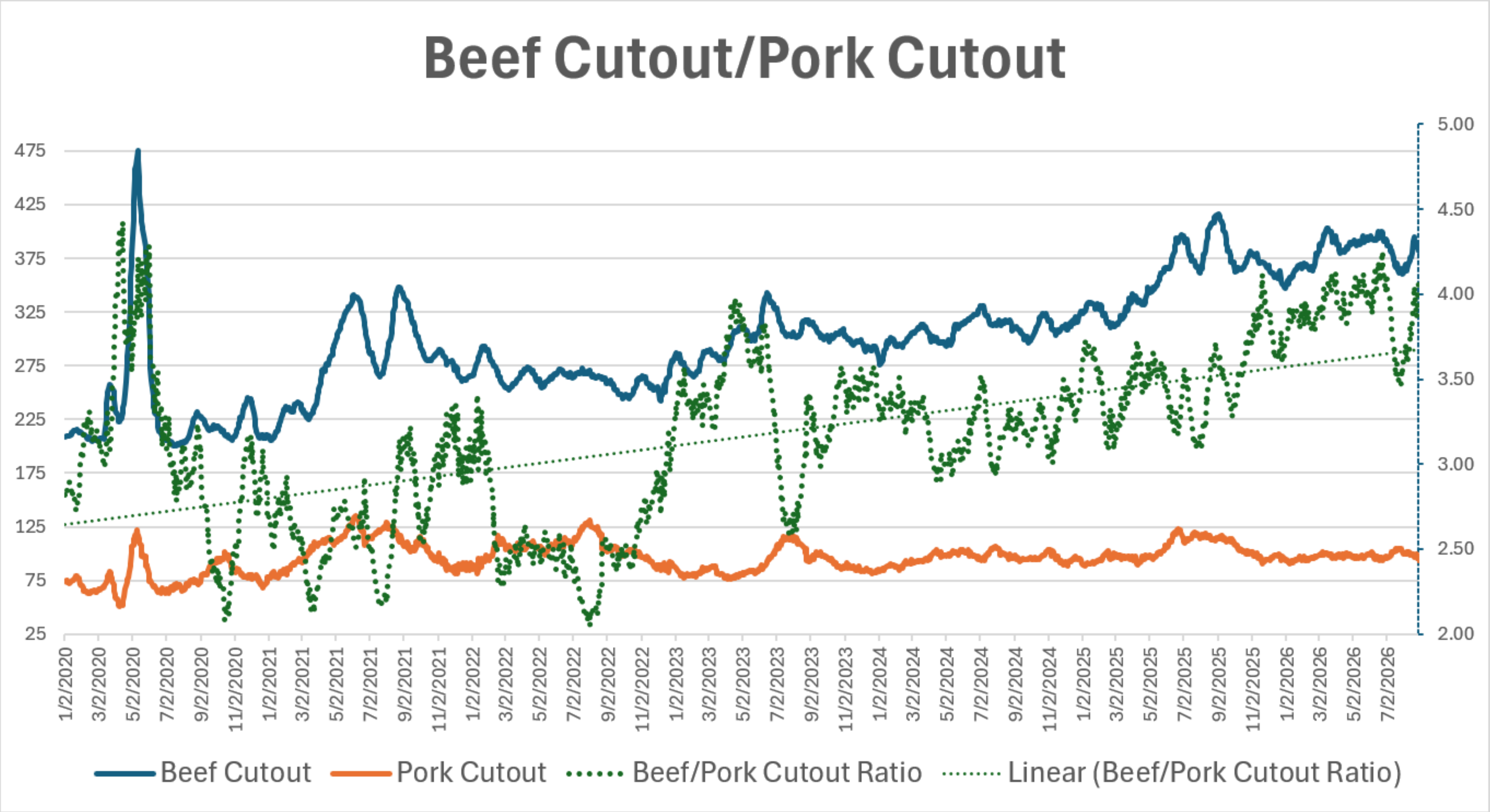
90’s Beef +5% YOY

Chicken Breast -31% YOY

Chicken Breast 27% of Beef 90’s

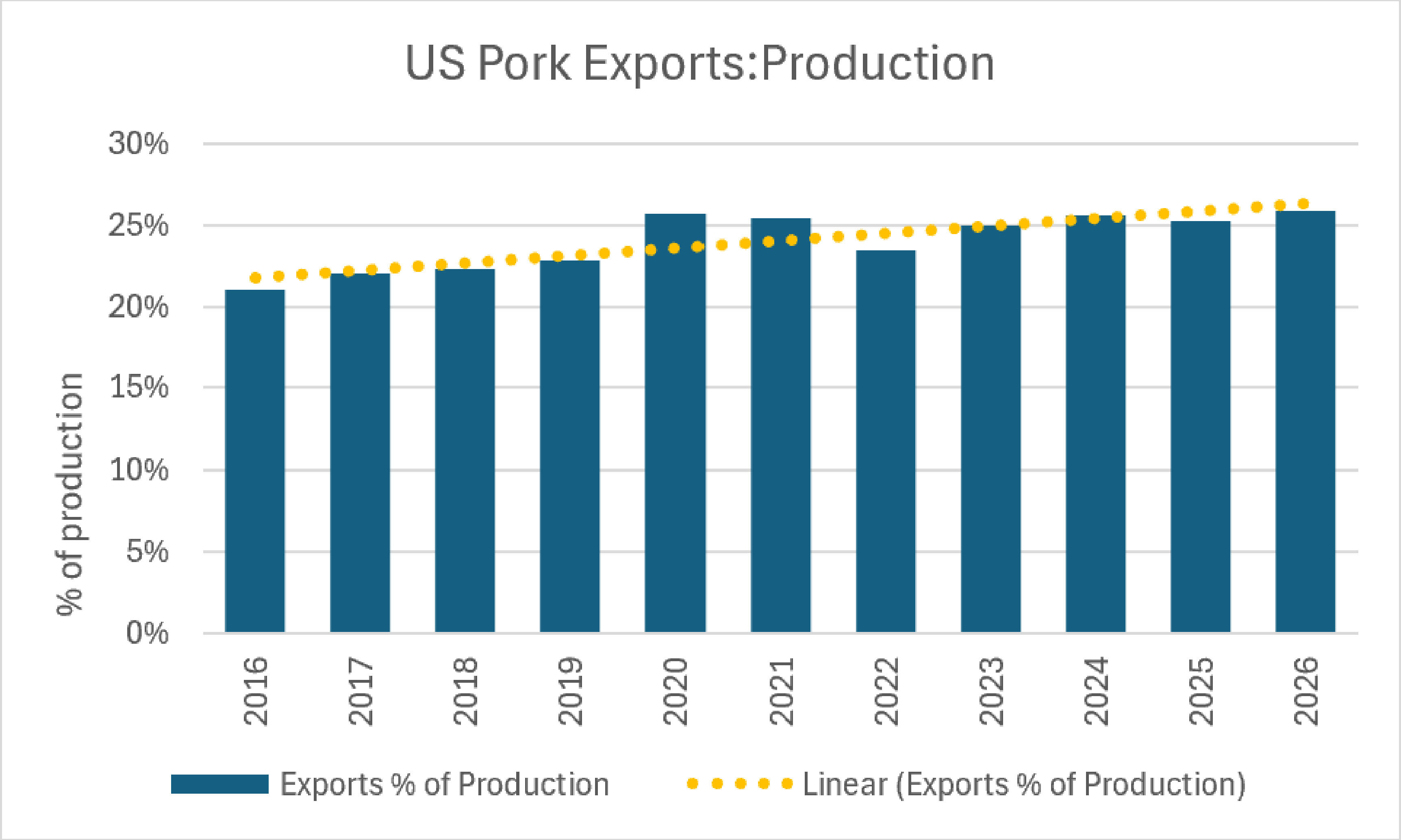
Pork Loin -2% YOY

Pork Loin 20% of Beef 90’s



Beef Near
4x Pork
Today

Since 2021 Pork Cutout has traded in a fairly flat range of about $50
Beef Cutout has gradually increased over those years near a $200 range
Growing the divergence between beef and pork

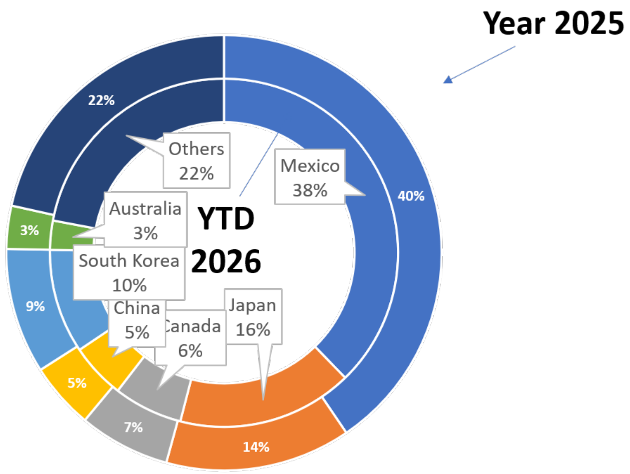


USDA; WASDE

- 2026 Pork exports estimated at 25.2% of production
- Previous 5yr Avg 24.9%
- The longer-term trend is exports have become a large piece of total US pork demand with exports accounting for 20.9% of production 10 years ago, and 14.2% of production 20 years ago

Export Markets

Pork Export Partners
(% of Total Exports)



Location	YOY %	Pounds
East Asia	5.86%	63,159.34
North America	6.74%	120,878.82
Others	-10.62%	(64,893.48)
Total	3.42%	119,144.68

Destination (Year Over Year) Export Change

Pnds (1,000)	%	Pounds
Japan	16.98%	85,193.48
China	-0.66%	(1,235.96)
South Korea	-5.83%	(21,550.10)
Hong Kong	-0.97%	(104.29)
Taiwan	9.24%	856.21
East Asia	5.86%	63,159.34

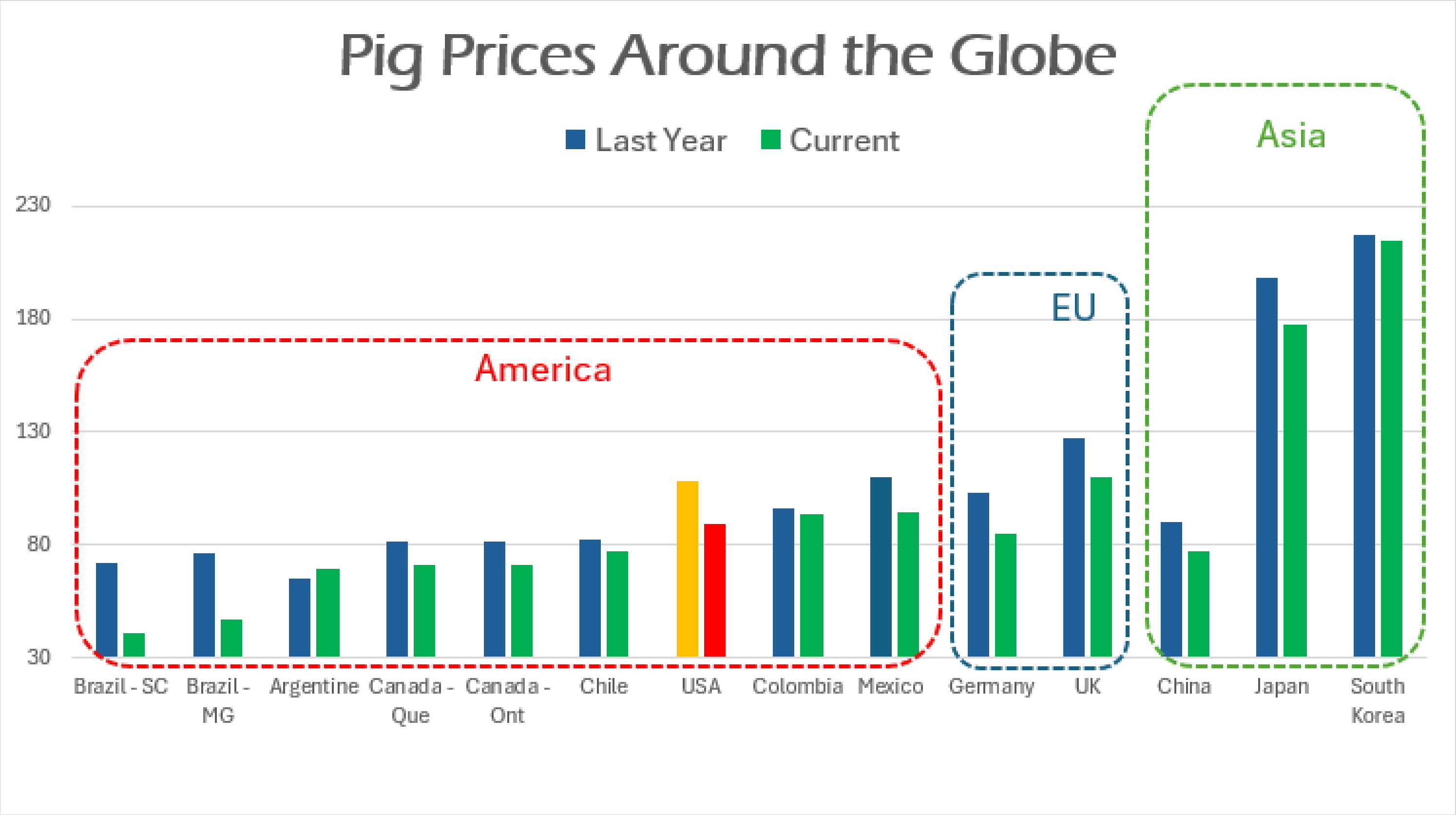
Japan accounts for nearly all East Asia Increase

Pnds (1,000)	%	Pounds
Mexico	2.30%	30,541.73
Canada	6.00%	13,072.02
Dominican	28.73%	36,945.05
Honduras	11.77%	9,988.29
Panama	41.78%	7,878.24
Costa Rica	278.19%	21,181.38
Bahamas	19.74%	1,272.12
North America	6.74%	120,878.82

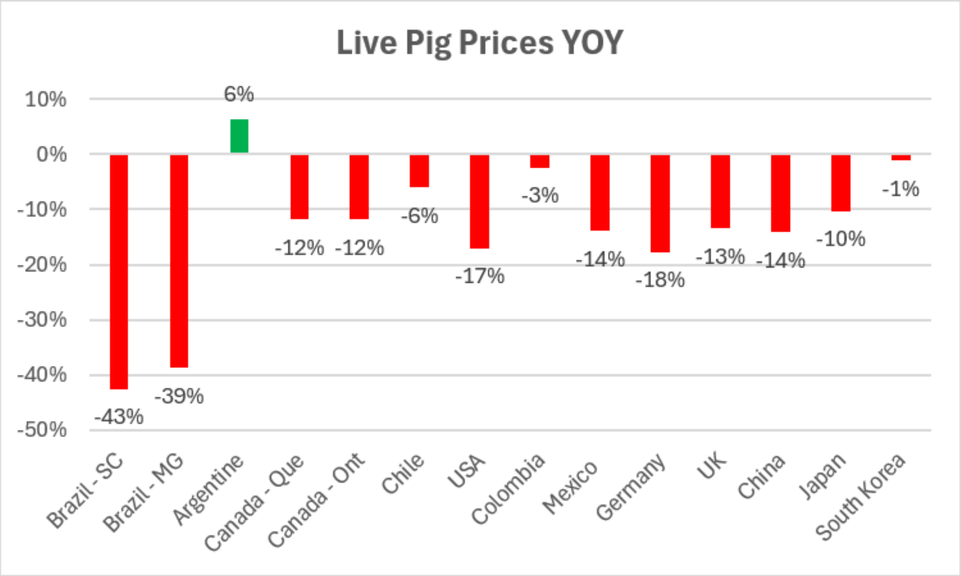
North America good increases year over year

Pnds (1,000)	%	Pounds
Australia	-27.48%	(36,954.65)
Colombia	2.44%	4,684.29
Philippines	-0.98%	(375.44)
Guatemala	1.54%	906.02
Chile	-35.13%	(4,403.05)
New Zealand	-31.56%	(4,491.32)
Others	53.65%	(24,259.34)
	-10.62%	(64,893.48)

Global Pig Prices

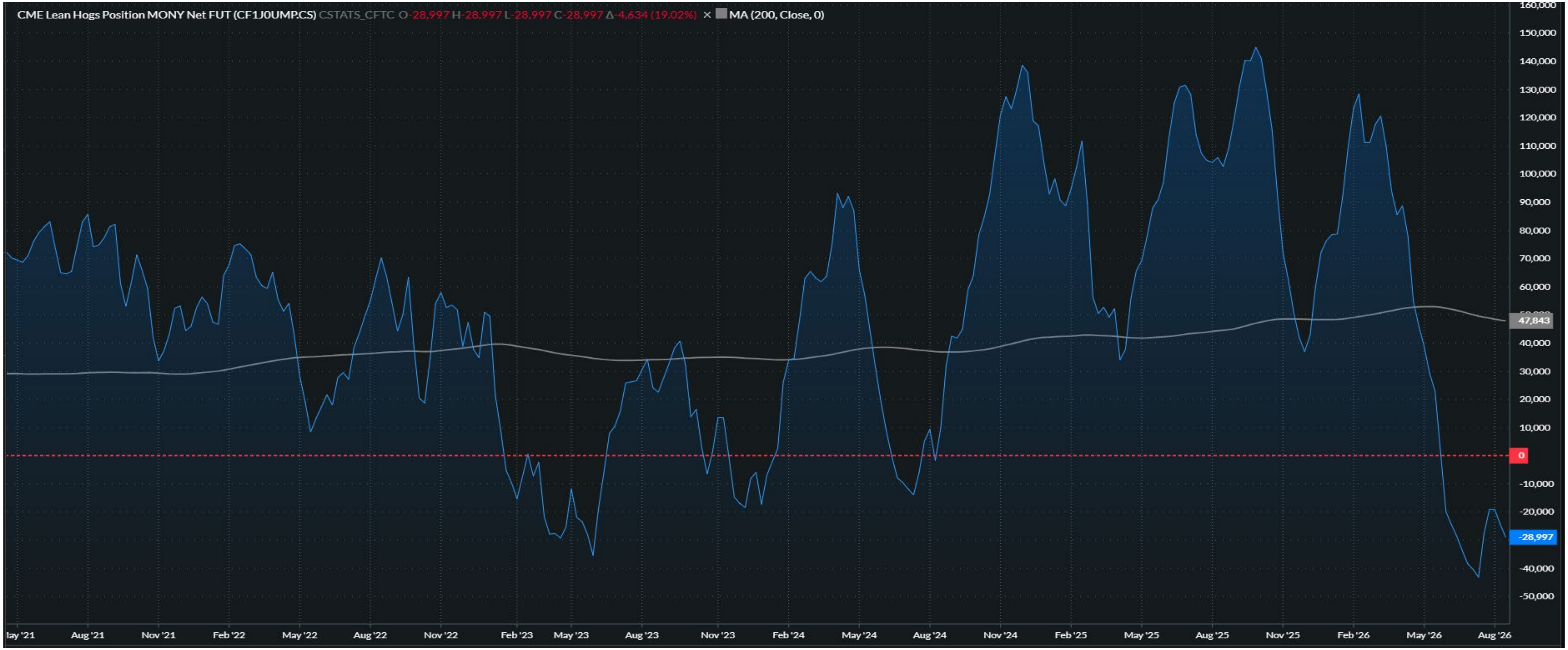


Average -14% Year over Year

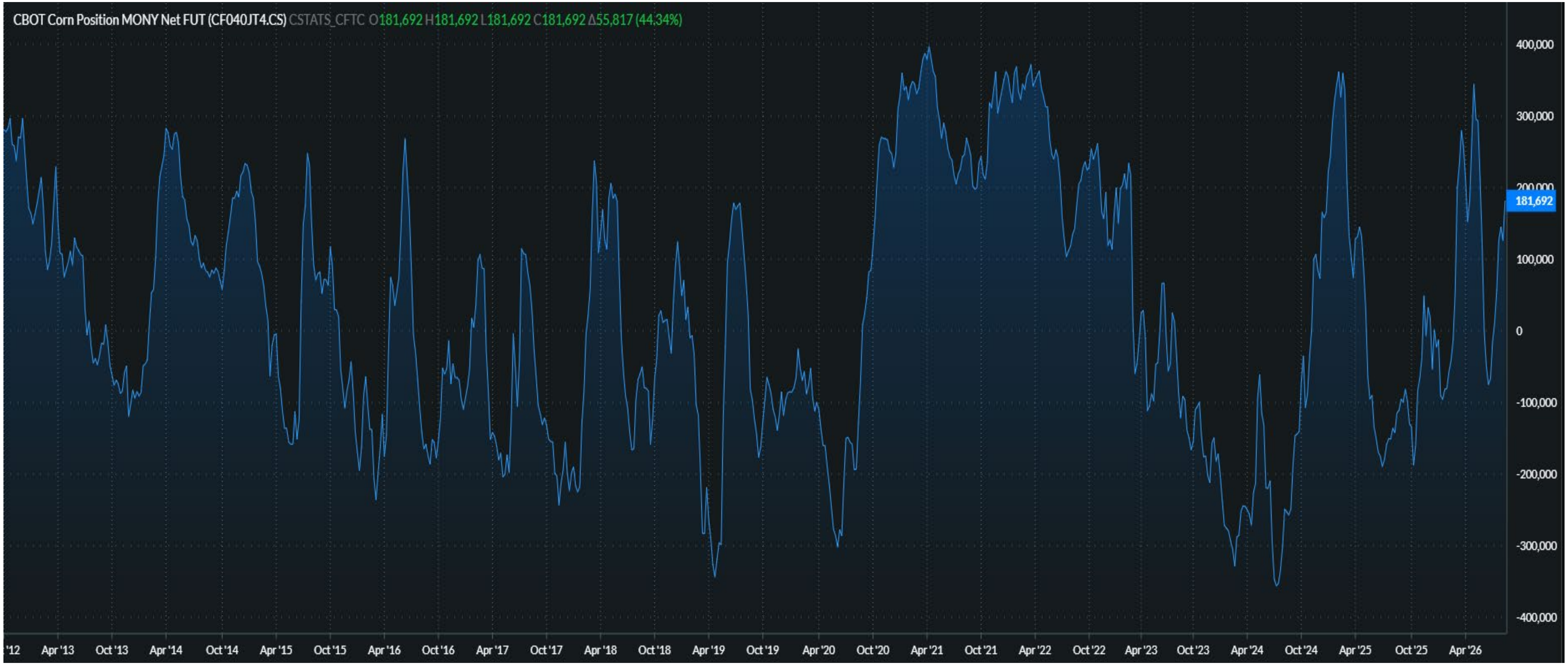


Year over Year Trend Lower!

Money Flow: Lean Hogs



Money Flow: Corn

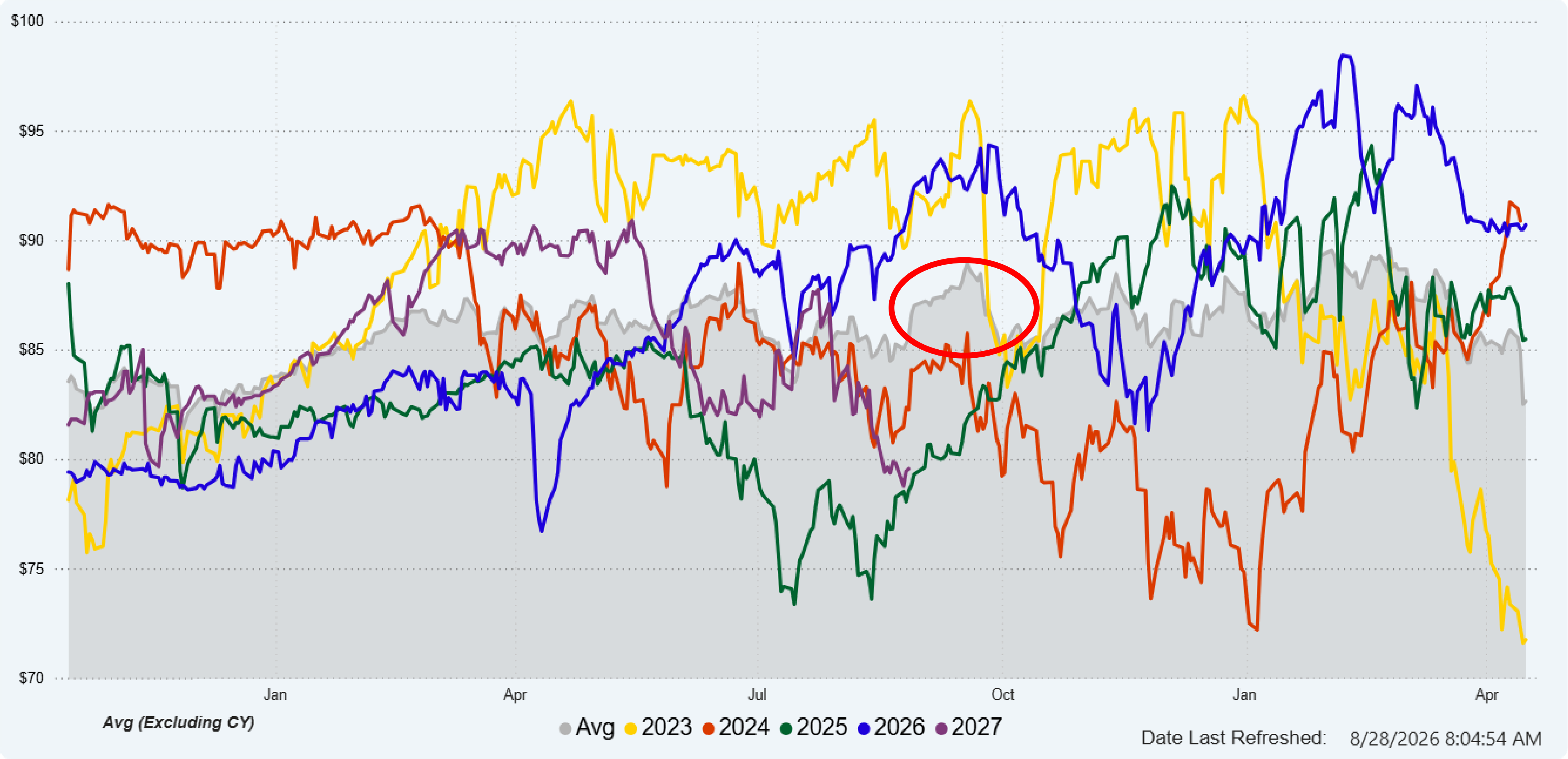


Lean Hog Seasonals

Date

Multiple selections

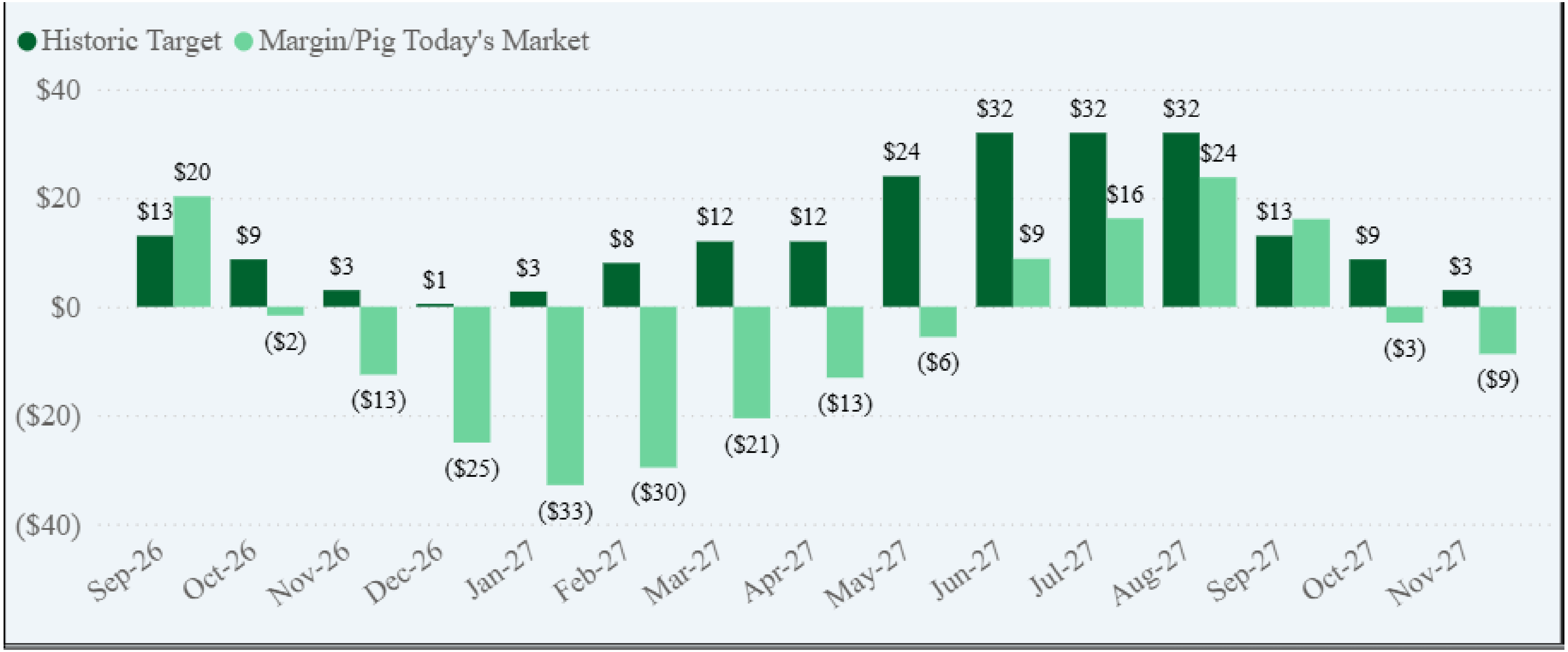
February | April | June | July | August | October | December



Next 15 Months

Date	Today's CME Price	Hog Basis	Est Cash w/ Basis	Today's Target	Isowean Price	Corn Price	DDG Cost per Ton	Meal Price	Cost of Production	Cost / Pig	Historic Target	Margin/Pig Today's Market
Sep-26	$80.35	$12.24	$92.59	$76.89	$41.00	$5.11	$182.32	$335.30	$82.94	$174.18	$13.00	$20.26
Oct-26	$80.35	$2.85	$83.20	$85.26	$41.00	$5.30	$189.11	$339.50	$83.96	$176.32	$8.70	($1.60)
Nov-26	$70.80	$7.35	$78.15	$78.18	$41.00	$5.30	$189.11	$345.80	$84.11	$176.62	$3.00	($12.51)
Dec-26	$70.80	$1.51	$72.31	$82.93	$41.00	$5.32	$189.82	$345.80	$84.20	$176.83	$0.50	($24.98)
Jan-27	$73.55	($4.06)	$69.49	$90.47	$41.00	$5.49	$196.07	$347.50	$85.10	$178.70	$2.75	($32.77)
Feb-27	$73.55	($2.51)	$71.04	$91.43	$41.00	$5.49	$196.07	$348.10	$85.11	$178.73	$8.00	($29.55)
Mar-27	$79.40	($4.20)	$75.20	$94.93	$41.00	$5.47	$195.36	$348.10	$85.01	$178.53	$12.00	($20.61)
Apr-27	$79.40	($0.33)	$79.07	$91.35	$41.00	$5.53	$197.41	$348.50	$85.30	$179.14	$12.00	($13.09)
May-27	$92.90	($10.22)	$82.68	$106.95	$41.00	$5.53	$197.41	$348.50	$85.30	$179.14	$24.00	($5.51)
Jun-27	$92.90	($3.42)	$89.48	$103.90	$41.00	$5.51	$196.70	$350.00	$85.24	$179.00	$32.00	$8.91
Jul-27	$94.53	($1.32)	$93.21	$102.04	$41.00	$5.56	$198.48	$350.00	$85.48	$179.51	$32.00	$16.22
Aug-27	$94.05	$1.24	$95.29	$97.99	$41.00	$5.26	$187.95	$347.70	$83.99	$176.38	$32.00	$23.73
Sep-27	$79.25	$12.24	$91.49	$77.80	$41.00	$5.26	$187.95	$341.60	$83.85	$176.09	$13.00	$16.04
Oct-27	$79.25	$2.85	$82.10	$84.78	$41.00	$5.20	$185.80	$338.60	$83.49	$175.33	$8.70	($2.92)
Nov-27	$72.00	$7.35	$79.35	$77.58	$41.00	$5.20	$185.80	$339.10	$83.50	$175.36	$3.00	($8.72)
Total	**$80.87**	**$1.44**	**$82.31**	**$89.50**	**$41.00**	**$5.37**	**$191.69**	**$344.94**	**$84.44**	**$177.32**	**$13.64**	**($4.47)**

Next 15 Months



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