KANSAS STATE UNIVERSITY

Department of Agricultural Economics

U.S. PORK MARKET OUTLOOK: NEVER A DULL DAY

Supply Context • Prices & Returns • The Central Role of Consumer Pork Demand

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Today's Roadmap

1

Setting the Stage: Protein Is In

U.S. meat consumption AND demand keep growing — an ongoing opportunity for pork

2

Pork Supplies

Slaughter, weights, and productivity: modest herd change & more pork

3

Prices, Costs & Returns

2026 been favorable yet tightening; early 2027 look is tougher

4

Consumer Pork Demand & 'Taste What Pork Can Do'

Growing industry emphasis is overdue: demand status & what moves it

SECTION 1

Setting the Stage: Protein Is In

"Meat demand is good, meat demand matters" — pork operates inside a growing protein pie.

Americans Are NOT Walking Away From Meat

213 lbs	~50 lbs	75%
Red meat + poultry per capita, 2025	**Pork per capita — steady for 25 years**	**Self-declare regularly consuming animal products (MDM)**
+16% vs 2014 (184 lbs); ~213 lbs again forecast for 2026–27	49.3 lbs in 2025; 49.6 forecast 2026; +4 lbs vs 2014	Up from 68% in 2020; vegan + vegetarians has declined

- **"Meat is having a moment" — the protein craze is benefiting beef, pork, AND chicken.**
- Meat demand outdoes meat avoidance (Tonsor & Lusk, Meat Science 2022) — and the gap has widened since
    - the media narrative has flipped to protein intentionality

➢ **Pork's opportunity is substantial here in 2026 and beyond!**

Data: USDA-NASS & USDA-ERS, compiled by LMIC (retail weight); KSU Meat Demand Monitor.

…And Consumers Keep Willingly Paying Up for Meat

$1,061

Per capita meat & poultry spending, 2025

vs $670 in 2014
REAL spending growth

$246

Per capita spending on PORK, 2025

Near the 2022 record of $250 (nominal);
but lower in inflation-adjusted terms

0.94%

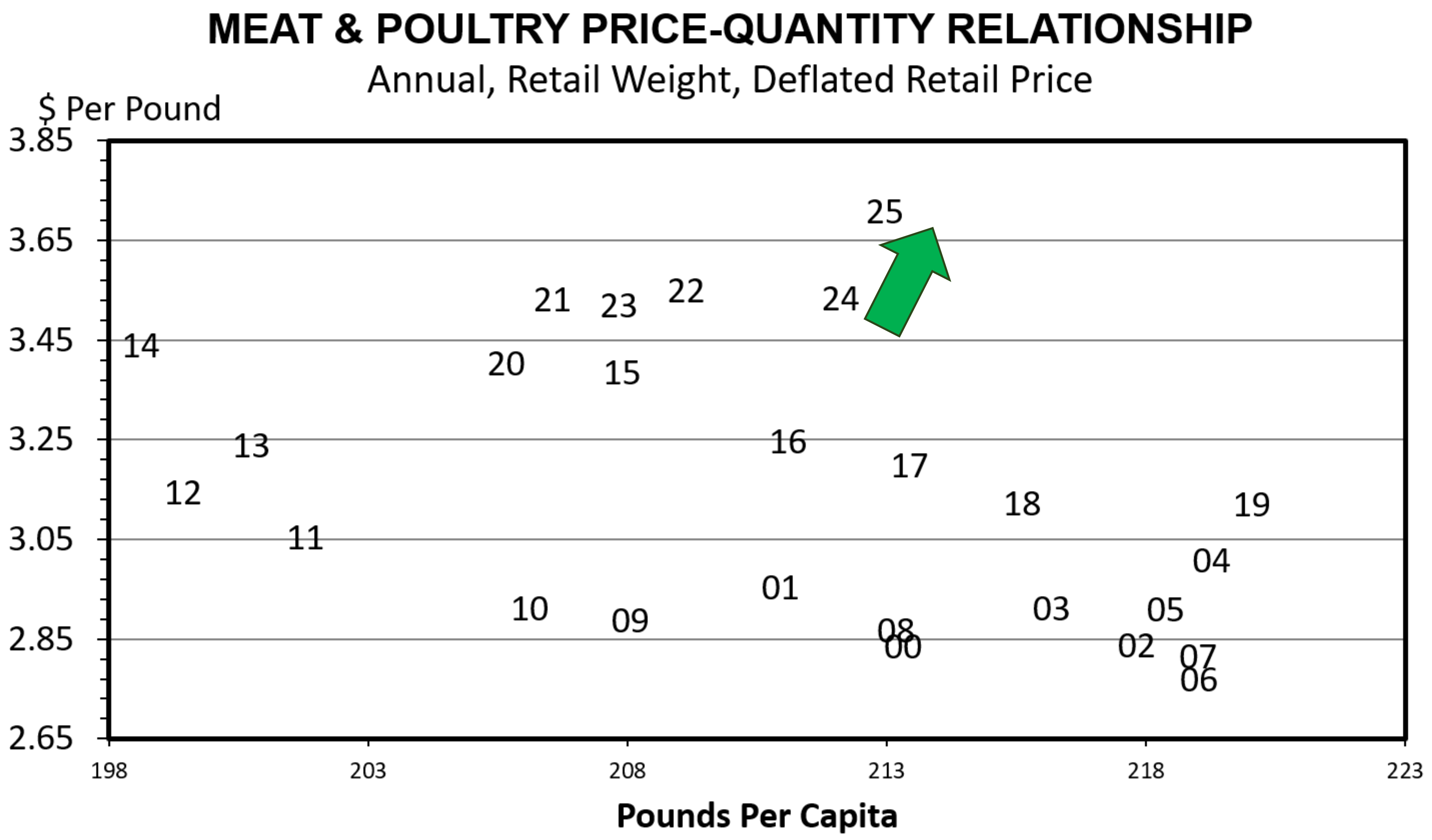
Pork expenditures as share of disposable income, 2025

A historically small, slowly declining share —
affordability is relative

Affordability is relative: meat expenditures remain small and stable share of income

Spending more dollars AND holding budget share is a vote of consumer confidence in meat

Data: BEA & USDA-ERS, compiled by LMIC; KSU Meat Demand Monitor.



Data Source: Bureau of Economic Analysis & USDA-ERS, Compiled by LMIC

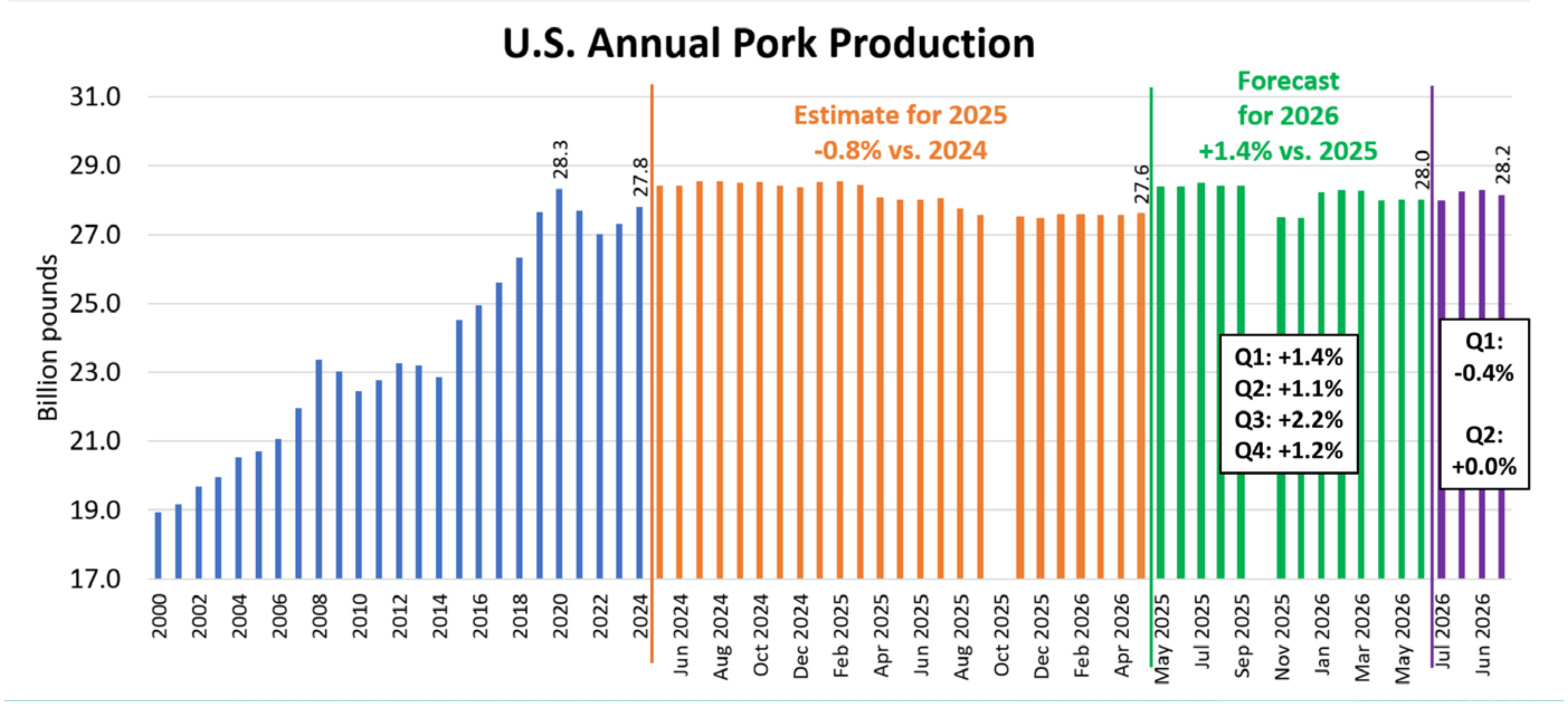
Livestock Marketing Information Center

SECTION 2

Pork Supplies

Modest herd growth + relentless productivity = record pork volumes

U.S. Pork Production: Records Ahead — '26 +1.4%, '27 +0.6%



- 2026 forecast: 28.0 bil. lbs (+1.4% vs 2025).
- 2027 forecast: 28.2 bil. lbs — a new record.
- Slaughter up 0.4–0.5% YTD once adjusted for one fewer slaughter day.
- Carcass weights up ~1% in '26 vs '25.

Data: USDA-WAOB, WASDE (Jul. 10, 2026); chart compiled by L. Schulz, Ever.Ag (NPIC, Jul. 2026).

June Hogs & Pigs: Stable Herd via Fewer Sows + More Pigs/Sow

	2025	2026	2026 as % of 2025	Pre-Report Range	Pre-Report Estimate	Actual - Estimate	Approximate Slaughter Timing
Inventories on Jun 1 *							
All hogs and pigs	73,697	73,664	100.0	100.6 - 101.6	101.0	-1.0	
Kept for breeding	5,949	5,880	98.8	98.7 - 99.8	99.3	-0.5	
Market	67,748	67,784	100.1	100.8 - 101.8	101.1	-1.0	
Under 50 pounds	21,096	21,106	100.0	100.3 - 102.3	101.3	-1.3	Oct thru Nov ‘26
50-119 pounds	19,166	19,071	99.5	100.6 - 101.8	101.1	-1.6	mid-Aug thru Sep ‘26
120-179 pounds	14,825	14,897	100.5	100.4 - 101.9	101.0	-0.5	mid-Jul thru mid-Aug ‘26
180 pounds and over	12,661	12,710	100.4	100.6 - 101.9	101.3	-0.9	Jun thru mid-Jul ‘26
Farrowing **							
Dec – Feb sows farrowed	2,831	2,783	98.3				
Mar – May sows farrowed	2,852	2,823	99.0	98.9 - 100.3	99.8	-0.8	Oct thru Dec ‘26
Jun – Aug intentions	2,965	2,900	97.8	97.9 - 99.7	98.5	-0.7	Jan thru Mar ‘27
Sep – Nov intentions	2,907	2,891	99.4	97.9 - 99.7	98.8	0.6	Apr thru Jun ‘27
Mar – May pigs per litter	11.75	11.87	101.0	101.0 - 101.8	101.4	-0.4	Oct thru Dec ‘26
Mar – May pig crop *	33,513	33,521	100.0	100.1 - 101.8	101.3	-1.3	Oct thru Dec ‘26

* 1,000 head, ** 1,000 litters   Pre-report estimates compiled by Bloomberg.

- All hogs & pigs: 73.7M head — even with June 2025.
- Breeding herd: 5.88M head, down 1.2%.
- Mar–May pigs per litter: 11.87 (+1.0%) — records keep coming.
- Farrowing intentions point slightly lower into 2027.

Data: USDA-NASS Quarterly Hogs and Pigs (Jun. 25, 2026); table by L. Schulz, Ever.Ag (NPIC, Jul. 2026).

Fewer Sows ≠ Less Pork: The Productivity Engine Decades in Making

+2,067 lbs

More pork per breeding animal, 1996–2025

Projection: add another 143 lbs in 2026

+40%

Higher litter rates since 1996 (+3.4 pigs)

Some of the biggest gains have come in just the last few years

+14%

USDA-projected pork production growth, 2026 to 2035

27.5 → 31.2 bil. lbs;
hog inventory +6.2M head by 2035

- The breeding herd shrinks while pork output grows — productivity does the heavy lifting.
- USDA long-term projections (OCE-2026-1): per capita pork moves from ~49 lbs to ~54 lbs by 2035 as production records continue
    - ➢ **Implication: do not equate herd size with pork supply — or with price direction**

Data: USDA-NASS; USDA-WAOB; USDA Agricultural Projections to 2035 (OCE-2026-1).

SECTION 3

Prices, Costs & Returns

Margins are tightening now — and the early 2027 look is red

Lean Hog Prices: '25 Was 3rd Highest (Nominally) Ever Easing Forecasts Into '27

Lean Hog Price Forecasts

		LMIC Livestock Marketing Information Center 8/10/2026	USDA 8/18/2026	USDA CME Group LM_HG201 8/24/2026		
		National Wtd Avg. Base	National Net Producer owned	National Net All Prod Sold (No OPA)	Composite Price/Forecast	% Chg from Year Ago
2021		89.51	91.26	91.36		
2022		95.80	97.42	97.47		
2023		81.60	83.62	81.72		
2024		83.96	85.11	85.08	84.72	3%
2025	Q1	84.68	85.36	85.88	85.31	11%
	Q2	92.60	93.54	94.89	93.68	4%
	Q3	102.53	103.42	106.01	103.99	18%
	Q4	86.26	87.07	87.73	87.02	3%
	Year	**91.52**	**92.35**	**93.63**	**92.50**	**9%**
2026	Q1	85.82	86.58	87.19	86.53	1%
	Q2	89.98	90.99	91.90	91	-3%
	Q3	94	94	92	93	-10%
	Q4	80	79	78	79	-9%
	Year	**88**	**88**	**87**	**87**	**-5%**
2027	Q1	83	83	75	80	-7%
	Q2	89	91	85	89	-3%
	Q3	93		91	92	-1%
	Q4	81		77	79	0%
	Year	**87**	**87**	**82**	**85**	**-3%**

9th highest (nominal) price ever

3rd highest (nominal) price ever
2014: $102.91
2022: $97.47
2021: $91.36

Forecasts: LMIC (8/10/26), USDA-ERS (8/18/26) & CME futures (8/24/26); ***compiled by L. Schulz, Ever.Ag (Aug. 2026).***

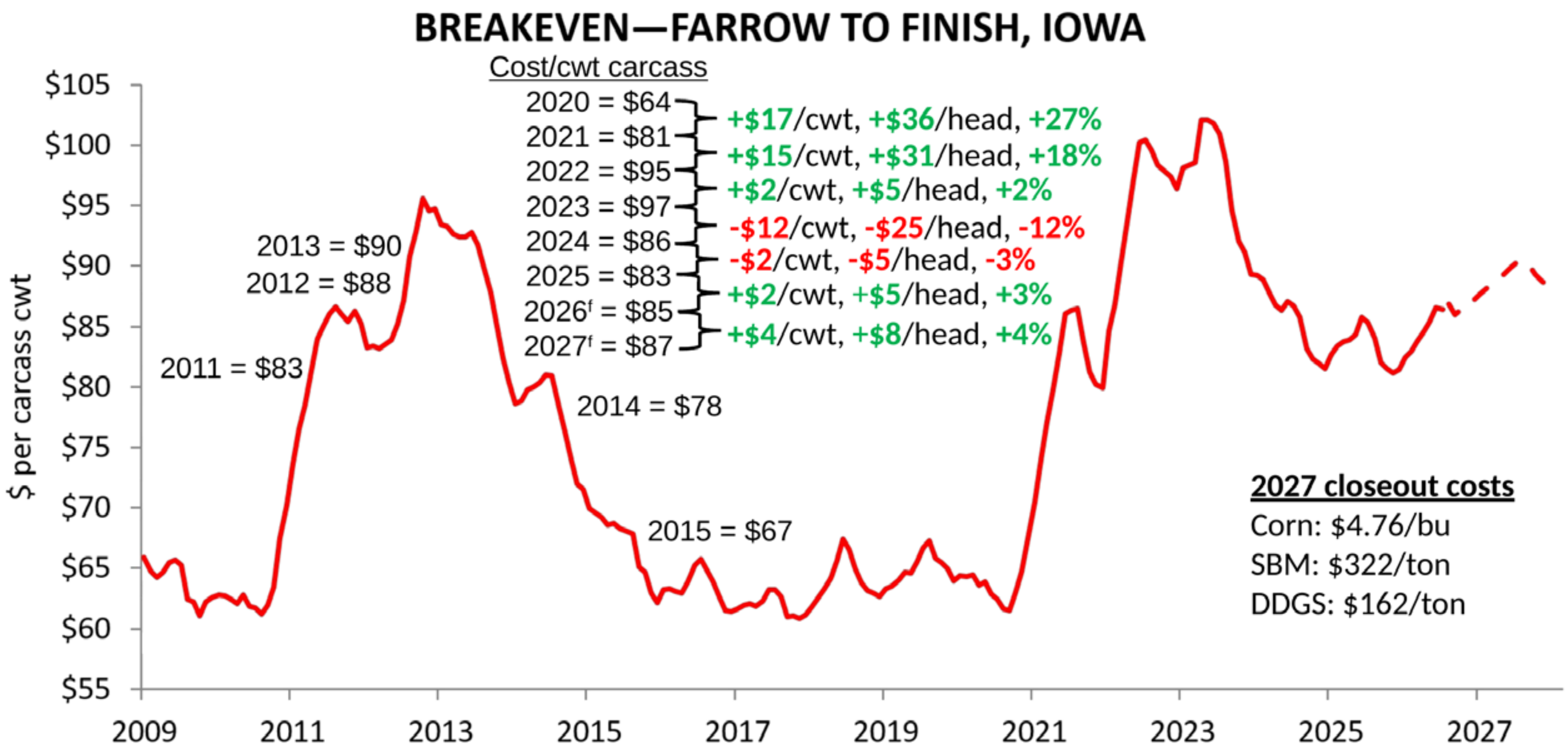
- 2025 composite: $92.50 (+9%) — 3rd highest nominal year ever.
- 2026 forecast: ~$87 (−5%); Q3 ~$93 (−10%) and Q4 ~$79 (−9%).
- 2027 forecast: ~$85 (−3%) as supplies grind higher.

➢ *Forecasts have softened over the summer*

- *Dec +$3/ since 8/25 yet*

  -$10 since May

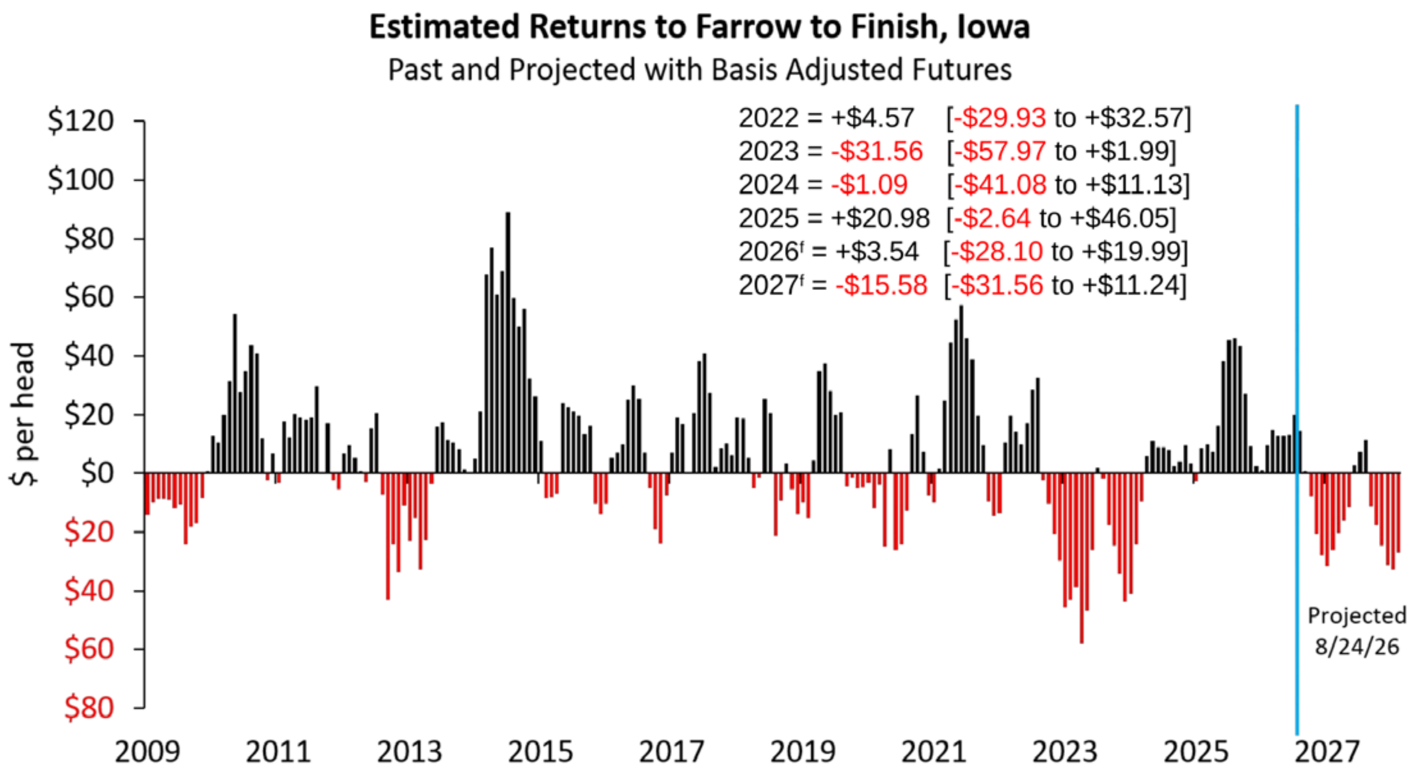
Production Costs: 31% Higher Than 2020, Grinding Up Again



- Iowa farrow-to-finish breakeven: $83/cwt carcass in '25 → $85 (+3%) forecast '26 → $87 (+4%) in '27.
- 2027 closeout costs: corn $4.76/bu, SBM $322/ton, DDGS $162/ton — all above '26 closeouts.
- **Inputs up 28% on average from '20 to '25 — and up ~7% more in '26.**

Data: Iowa State University Estimated Livestock Returns, compiled by L. Schulz, Ever.Ag (Aug. 25, 2026).

Returns: Slim in '26; Notable Red Ink Projected for '27

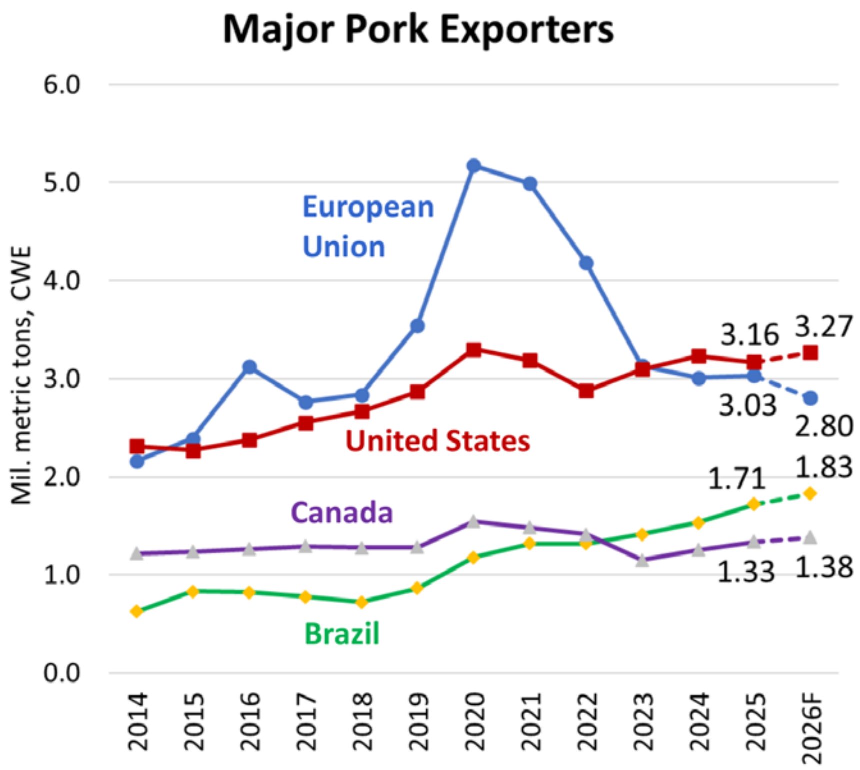


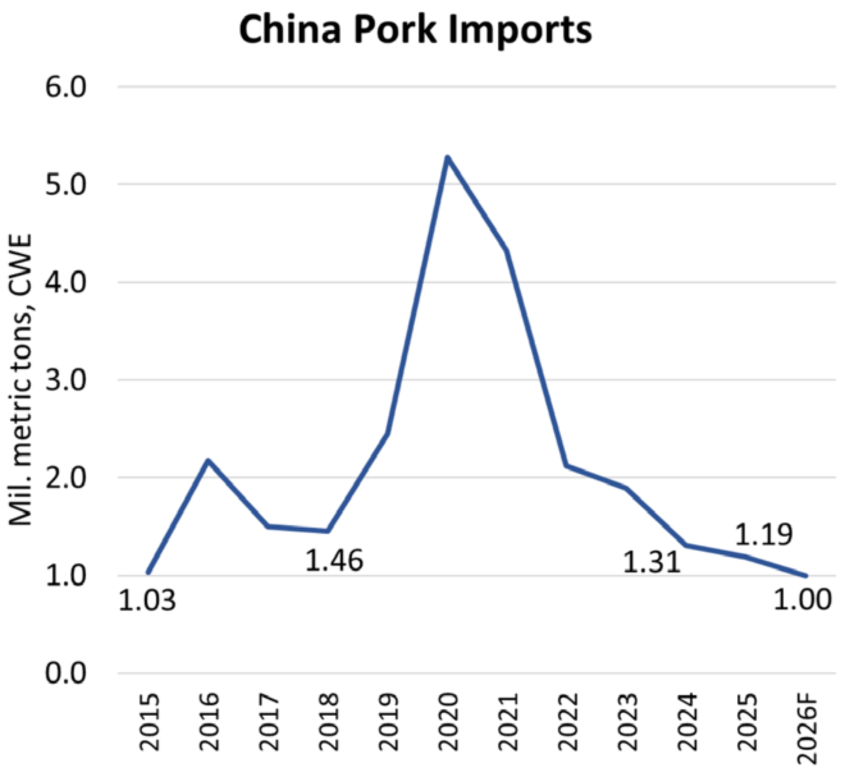
- 2025: +$20.98/head — best year since 2021.
- 2026 forecast: +$3.54/head [−$28 to +$20] — near the industry's historic average, with large losses projected in Q4.
- 2027 forecast: −$15.58/head [−$32 to +$11]

➢ ***Record dollars at risk: pencil breakevens, examine downside protection, know YOUR numbers.***

Data: Iowa State University Estimated Livestock Returns, compiled by L. Schulz, Ever.Ag (Aug. 25, 2026).

Exports: ~25% of U.S. Pork Production Leaves the Country





- Jan–May '26 total exports +5.4% by volume, +4.7% by value.
- Mexico = 38% of volume; Japan +19%; China variety meats +28%.
- WASDE: exports +3.8% in '26 and +1.3% in '27.

➢ Policy shifts matter enormously with 1-in-4 pounds exported.

Data: USMEF/USDA-FAS; USDA-WAOB; charts by L. Schulz, Ever.Ag (NPIC, Jul. 2026).

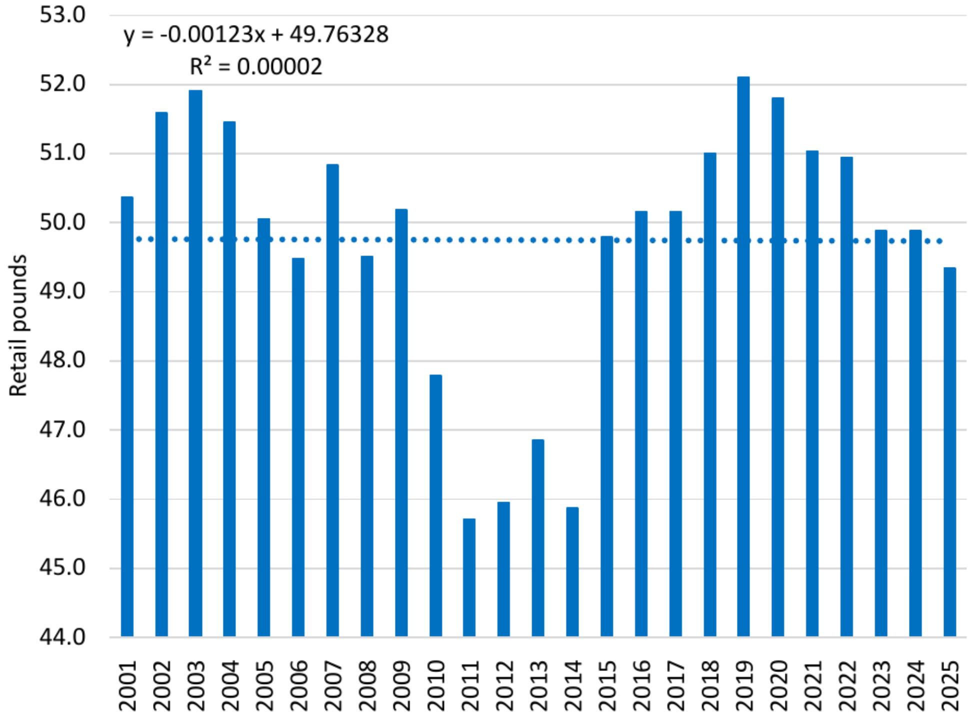
SECTION 4

Consumer Pork Demand

Growing emphasis: where pork demand stands, what moves it, and "Taste What Pork Can Do" launch

"Demand" Is *NOT* Per-Capita Consumption

- Per capita disappearance = domestic supply on market divided by people.
    - Per capita pork disappearance has averaged just under 50 lbs for 25 years. Says little about demand on its own.
- **Demand = the schedule of quantities consumers buy at each offer price.**
    - **More pounds moving at HIGHER inflation-adjusted prices = clear demand growth.**
    - ***The key question: at what price is the available quantity clearing the market?***

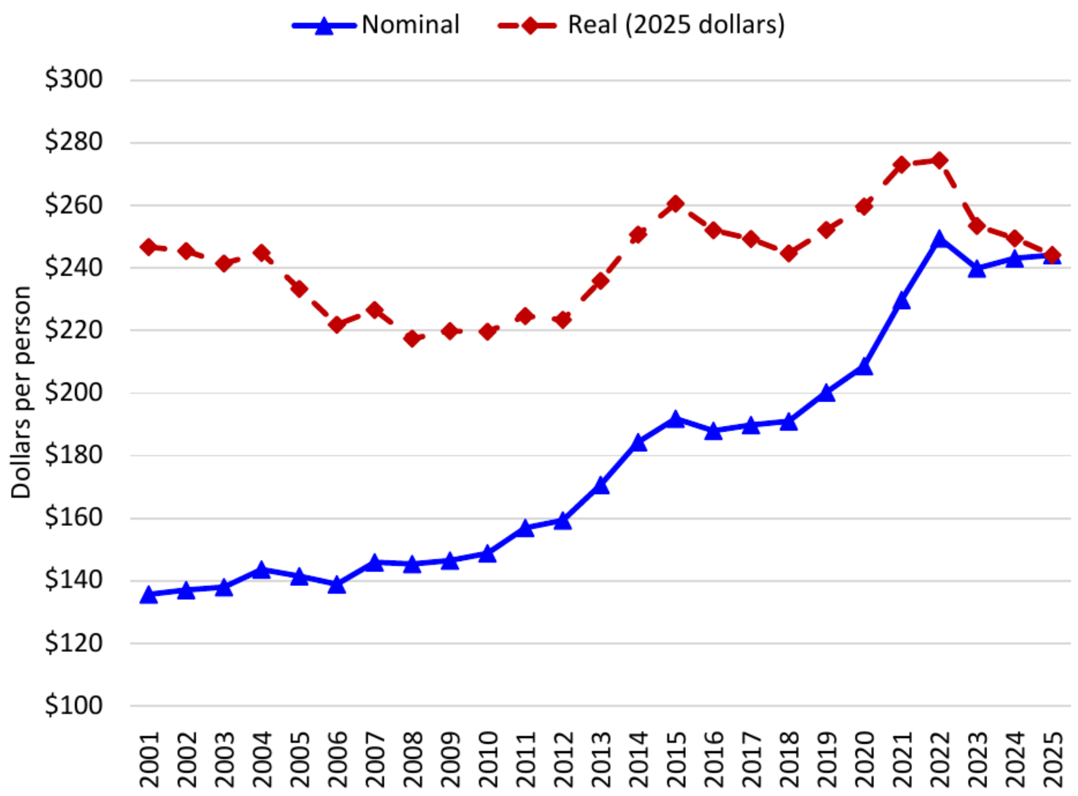


Data: USDA WASDE.

Blue-jeans BOGO example

Nominal Records Are Not Necessarily Real Economic Growth

- 2025 per capita pork expenditure: $244.11 (49.3 lbs × $4.95/lb) — 2nd highest EVER in nominal terms.
    - **After inflation, 2025 ranked just 15th of the last 25 years — buying power similar to 2018's $190.99.**
- When revenue growth trails inflation, the real purchasing power of dollars flowing into the pork business is flat or falling.
    - Inflation erodes cash available for operating expenses, capital purchases, and debt service.



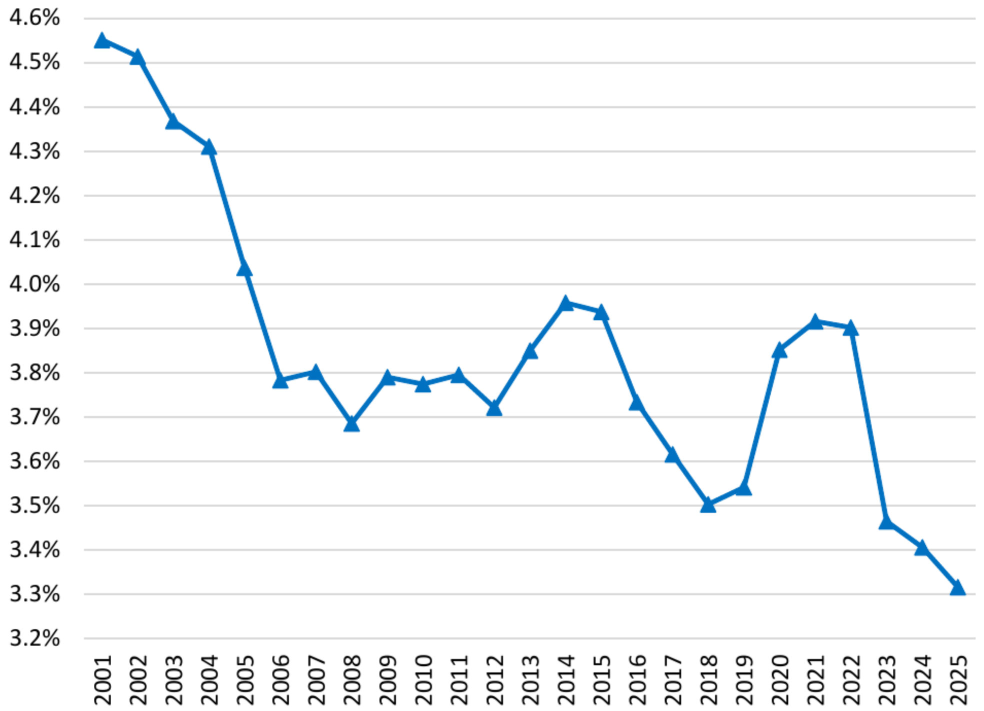
Data: USDA WASDE; USDA-ERS Meat Price Spreads; U.S. BLS CPI (Tonsor & Schulz, 2026).

Pork's Shrinking Share of the Food Dollar

- Pork went from 4.6% of U.S. consumers' total food expenditures in 2001 to 3.3% in 2025.
- Consumers' food dollars are a major source of financing for the pork business.

➢ **Pork is not attracting a growing share of food spending**

➢ ***Motivates elevated interest and industry focus on consumer pork demand***

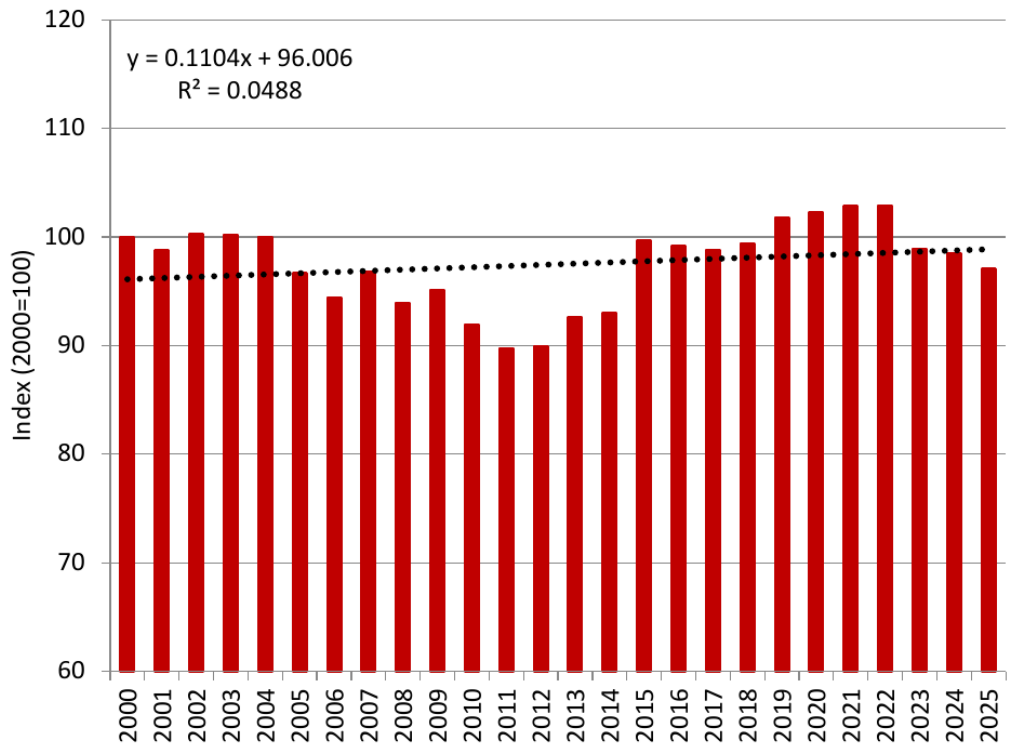


Data source: USDA Economic Research Service.

Data: USDA Economic Research Service (Tonsor & Schulz, 2026).

Consumer-Level Domestic Pork Demand Index: 2025 Slipped

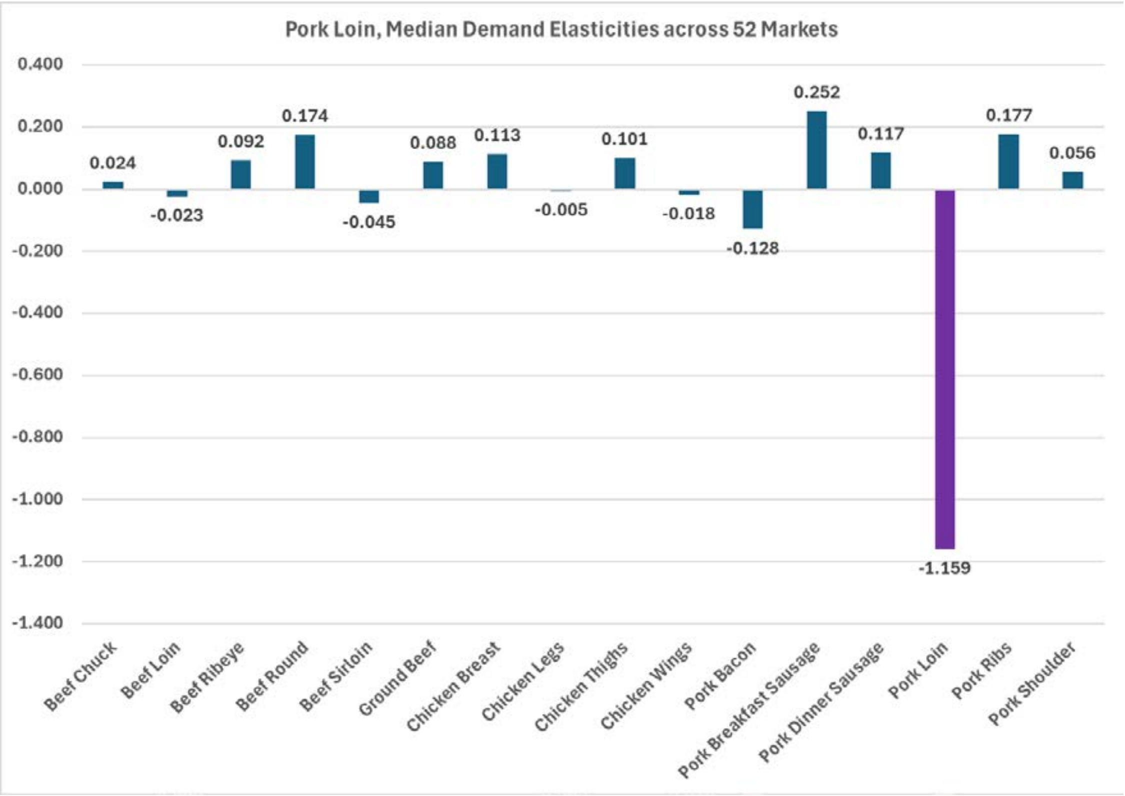
- The index combines per capita disappearance and deflated price as a demand barometer. Direction matters more than levels.
- Consumer-level demand trended slightly up since 2000, peaking around 2021–22.
    - **2025 declined vs 2024 — per capita disappearance AND real price both fell.**
- An index says WHAT changed, not WHY: surveys and economic analysis must fill in income, substitute-price, and preference drivers to EXPLAIN



Data: USDA WASDE; USDA-ERS Meat Price Spreads; U.S. BLS CPI (Tonsor & Schulz, 2026).

Own-Price Dominates — Industry's Lever Is Preferences

- Own-price elasticity of pork loin demand: −1.16 (U.S. average) — each 1% price increase cuts retail purchases ~1.16%.
- Cross-price effects are small: strongest substitute for pork loin is beef round at just 0.17.
  - Historically high beef prices have NOT materially lifted pork demand.
- ***Implication: industry influence lies with taste, quality, and preference levers — rational target of the new TWPCD campaign***

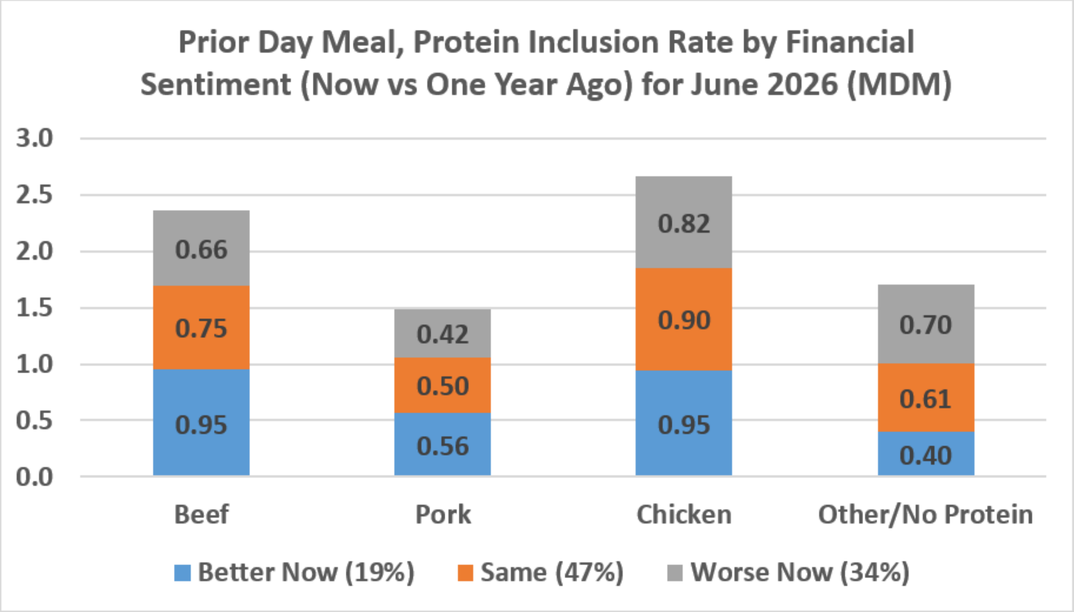


Retail pork loin elasticities across 52 markets (Tonsor, 2025; Circana data).

The K-Shaped Economy & Macroeconomics are Pressuring Pork

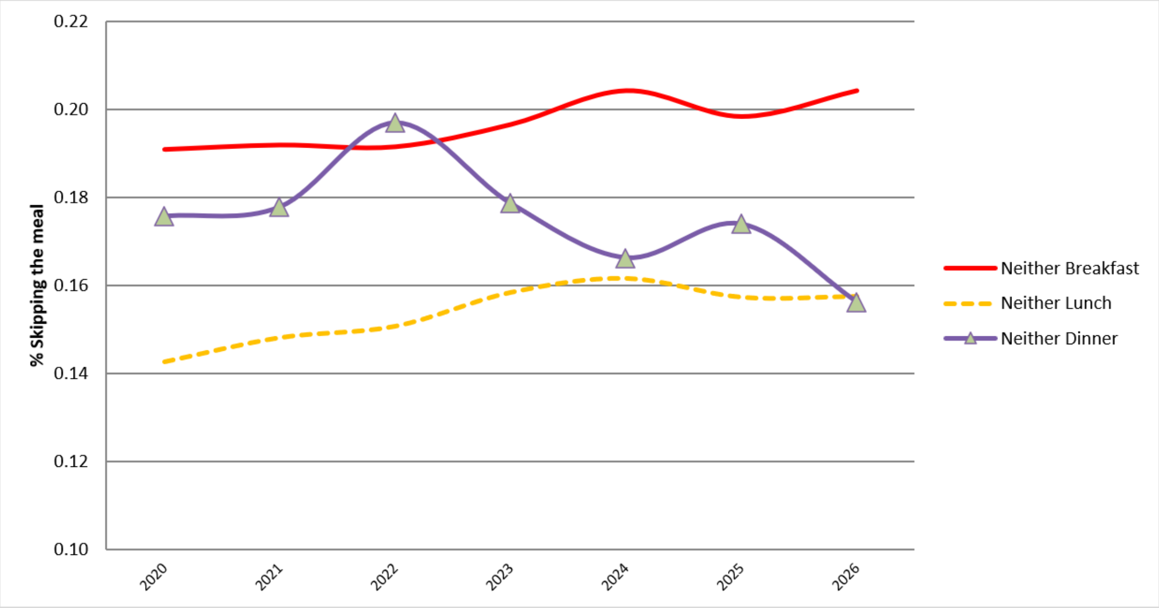
- June 2026 MDM: households with IMPROVING finances (19%) included pork in 0.56 prior-day meals (~3.9/week); those with WEAKENING finances (34%) just 0.42 (~2.9/week).
  - About one fewer pork meal per week — small per household, substantial across the U.S. population.

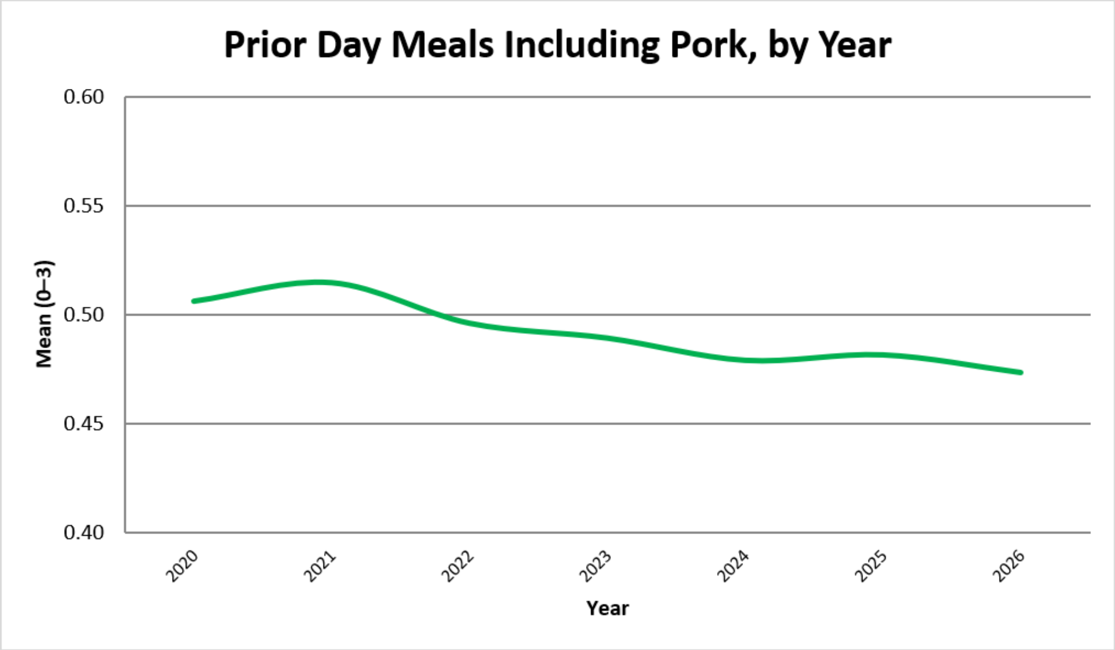
➢ **Macro conditions pressuring retail pork demand**



KSU Meat Demand Monitor, prior-day protein inclusion by financial sentiment, June 2026.

Meal Patterns: Breakfast Skipping Up, Pork Meal Inclusion Frequency Below Its 2021 Peak





- Breakfast skipping keeps rising — headwind for pork given historic breakfast presence (likely elevated impact on belly demand)
- Pork's prior-day meal inclusion peaked in 2021 and has drifted lower since — consistent with USDA disappearance data

Meat Demand Monitor (MDM, 2026), 2020–2026 through May.

Pork Demand Pays at the Farm Gate

Wholesale pork demand (pools domestic retail, foodservice, and exports) rose 1.9% in May 2025 – Apri 2026 period that is worth:

+$0.80/cwt	+$1.72/head	$58.45M
Higher hog prices vs holding demand constant	**Per market hog (216-lb carcass)**	**Aggregate market hog value tied to wholesale demand gain**
$94.75 vs $93.96 per carcass cwt	May 2025 – April 2026	

- With domestic retail demand weaker over the same window, export demand growth is the likely source of this period's wholesale strength

➢ *Corollary from recent research*: had 2023 wholesale demand held at 2022 levels, market hog, feeder pig, and weaned pig prices would have been ~4–5% higher. ***Demand matters!***

Tonsor & Schulz (2026); Butcher & Schulz hog-price linkage; USDA-AMS LM_PK602.

Take-Home Messages

1. Supplies grind higher: record pork production in '26 and '27 — productivity, not herd size, is the driver.

2. Returns are tightening: ~+$4/head in '26 (large losses projected in Q4) and roughly −$16/head forecast for '27.
Know YOUR numbers and examine margin protection.

3. Demand is the price–quantity relationship — not simply pounds.
Domestic retail pork demand weakened in 2025 and pork's share of the food dollar keeps sliding

4. Own-price and preferences dominate what the industry can influence — that is exactly where TWPCD aims.

5. Pork Demand pays and is worth better appreciating, investing in, measuring, and prioritizing
Grow the economic pie

Questions & More Info

agmanager.info/contributors/tonsor

Meat Demand Monitor: agmanager.info/livestock-meat/meat-demand/monthly-meat-demand-monitor-survey-data

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This presentation will be available in PDF format at the AgManager link above.

Sources gratefully acknowledged: Lee Schulz (Ever.Ag) NPIC 2026 outlook materials; KSU Meat Demand Monitor.