

# THE FACTS BEHIND PORK PRICES



## GLOBAL DEMAND

As more of the world's population ascends into the middle class, people are switching from plant-based protein diets to animal-protein diets. Income gains have been largest in Africa and Asia, and the rising global incomes are increasing the demand for pork.



## COMPETITION

Chicken price levels indirectly impact the price of pork because this alternative protein source is less expensive per pound and competes for consumers' spending.



## 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.

## 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 price fluctuations for producers who export pork or who depend on exports.



## ANIMAL HEALTH & FOOD SAFETY

Food safety concerns can have an impact on pork prices. In the past, disease outbreaks have eliminated large portions of producers' herds and driven the price of pork very high as the supply dwindled.



## WEATHER

Extreme weather conditions such as droughts induce prospects for higher feed prices and heat stress on crops, pastures and livestock. This can restrain the growth of hog breeding herds and drive prices higher.

