

UB PORK CUTOUT METHODOLOGY CHANGE NOTICE

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Urner Barry is a leading source for price reporting in the pork sector. Urner Barry regularly solicits feedback from stakeholders to ensure that our coverage reflects current trading conditions and practices. On November 6, 2023, Urner Barry proposed changes to its pork market coverage and sought industry feedback on those proposed changes. The comment period has now closed. To improve market transparency and provide stakeholders with meaningful information, Urner Barry will make the following improvements to its pork market coverage effective January 1, 2024.

After careful analysis and consideration, Urner Barry is proposing amending calculations to the pork cutout to better reflect the volume of trade on the spot market. The amended report will reflect coverage on the items below according to the methodologies listed at this link:

UB_Methodology_Pork_2023.pdf

<i>Item</i>	<i>Reason</i>
Urner Barry Pork Cutout	The cutout has been calculated in a specific manner from 2003 to 2023, with modifications reflecting the industry's developments over the years. Recent data indicates that this pork cutout encompasses a formula based on composite values, drop values, and carcass percentages to create a total carcass value.

The following is the cutout to be EDITED on the UB Pork Report:

<i>Item</i>	<i>Reason</i>
Urner Barry Pork Cutout	When a specific cutting style is traded more frequently on the spot market compared to other styles that can be further broken down from the primal cut, this should exert a greater influence on the specific primal cut's value during the cutout calculation. Therefore, a cutout that incorporates trade volume into its computation will more accurately reflect the movement of the entire cutout value.

This latest change further expands Urner Barry's initiative to provide market transparency in the pork market. The pork methodology document posted at www.urnerbarry.com/markets/methodologies will be amended to reflect these changes, which will go into effect on January 1, 2024.

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