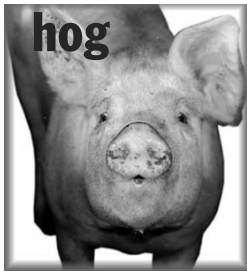


April Lean Hog Futures Contract Closes 90¢ Higher



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

For the third consecutive month, USDA has increased their estimate of 2013 production of red meat and poultry. The latest estimate is up 0.8 percent from their February forecast and up 3.3 percent from the December prediction. Today's update raised the forecasts for 2013 production of beef by 0.1 percent, chicken up 1.7 percent and turkey production up 2.5 percent. USDA reduced expected pork production by 0.2 percent compared to their February forecast. USDA is now predicting combined red meat and poultry production will 0.4 percent greater than in 2012. In December, they predicted meat and poultry production would be 2.6 percent lower this year than last.

Today's jobs numbers are encouraging. The unemployment rate dropped from 7.9 percent in January to 7.7 percent in February. Hopefully, this will strengthen meat demand.

This week, Statistics Canada released their January 1 inventory numbers for livestock. Their hog inventory was down 0.5 percent compared to a year ago. The Canadian swine breeding herd was down 0.9 percent and their market hog inventory was 0.5 percent smaller than at the start of 2012.

Their sheep and lamb inventory was up 0.7 percent. Canada's total cattle inventory on January 1 was up 0.5 percent. Beef cow numbers were down 1.0 percent and milk cow numbers up 0.1 percent. The number of heifers being

kept for breeding herd replacement was up 3.4 percent. The 2012 calf crop in Canada was 2.5 percent smaller than the year before.

Thursday afternoon's calculated pork cutout value was \$78.91/cwt, down \$2.40 from the previous Thursday, down \$5.08 from this week last year, and the lowest of any date since September 25, 2012. Ham, loins, bellies, and butts were all lower this week.

Despite the drop in pork cutout, the national average negotiated carcass price for direct delivered hogs on the morning report today was \$74.23/cwt, up \$3.80 from last Friday. Eastern corn belt hogs averaged \$74.40 this morning. Neither the western corn belt nor Iowa-Minnesota had a morning price quote.

Peoria had a live top of \$49/cwt on Friday. Zumbrota, MN topped at \$52/cwt. The top for interior Missouri live hogs today was \$53.50/cwt, \$3 lower than the previous Friday. The national average hog carcass price this morning was 94.1 percent of the cutout value.

Hog slaughter this week totaled 2.201 million head, up 1.5 percent from last week and up 3.2 percent compared to the same week last year.

The average barrow and gilt live weight in Iowa-Minnesota last week was 276.1 pounds, down 0.1 pound from a week earlier and unchanged from a year ago.

Friday's close for the April lean hog futures contract was \$82.02/cwt, up 90 cents from the previous Friday. May hog futures ended the week 72 cents higher at \$90.12/cwt. June hogs gained 33 cents this week to settle at \$91.70/cwt today. July hog futures ended the week at \$92.00/cwt.

Corn futures ended the week lower than the previous Friday. Δ

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