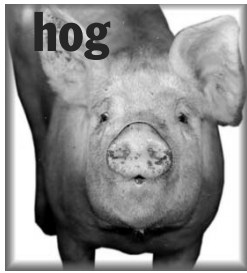


# Avg. Hog Brings 69-Cent Profit First Half 2012



**GLENN GRIMES AND RON PLAIN**

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## outlook

**U**SDA estimates 40 percent of the corn crop was in good or excellent condition on July 8. That compares to 48 percent good or excellent the week before and 69 percent a year ago. The Crop Progress report says 40 percent of the soybean crop was rated good or excellent on July 8 compared to 45 percent a week earlier and 66 percent a year ago. Nationally, 50 percent of pastures were rated poor or very poor on July 8. That compares to 43 percent poor or very poor the week before and 29 percent a year ago. For Missouri pastures, the number is 87 percent poor or very poor.

USDA's July crop report lowered predicted corn yield to 146 bushels per acre and raised the predicted marketing year price to \$5.90/bu. The July corn futures contract ended the week at \$7.5575/bu, up 13 cents from the week before and up \$1.76 from four weeks earlier. December corn ended the week at \$7.405/bu. July soybean meal ended the week at \$489.90/ton, up \$18.30 from the previous Friday.

Iowa State University calculations put the breakeven price for markets hogs sold in June at \$65.12/cwt, the highest since December. Fortunately, hog prices jumped and the average June profit was \$22.40 per head sold. During the first half of 2012, the average hog was sold at a profit of 69 cents per head.

Pork exports during May were up 9.6 percent from a year ago and pork imports were down 2.7 percent. For the month, exports equaled 23.3 percent of production and imports equaled 3.3

percent of production. During the first five months of 2012, pork exports were up 265 million pounds (12.8 percent) with 70 percent of the increase going to China.

USDA's Thursday afternoon calculated pork cutout value was \$89.51/cwt, down \$1.13 from the previous Thursday and \$9.15 lower than this week last year. Bacon demand continues to be strong. Pork bellies are at \$138/cwt, up \$5.07 from a week ago, up \$8.42 from a year ago, and the highest since August 22.

Hog prices dropped this week. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$88.46/cwt, down \$6.87 from last Friday. The eastern corn belt averaged \$87.65/cwt this morning. The western corn belt averaged \$92.48/cwt. Iowa-Minnesota averaged \$92.92/cwt on the morning report. The east-west price spread remains very large. Peoria had a top live price this morning of \$61 and Zumbrota had a live top today of \$62/cwt. The top for interior Missouri live hogs Friday was \$67.50/cwt, down \$1.50 from the previous Friday. The average hog carcass price is 98.8 percent of the cutout value.

Hog slaughter this week totaled 1.959 million head, up 11.6 percent from the week before because of the July 4 holiday, but down 3.6 percent compared to the same week last year. The average barrow and gilt live weight in Iowa-Minnesota last week was 269.0 pounds, down 1.0 pound from a week earlier, up 2.4 pounds from a year ago, and above year-earlier for the 33rd consecutive week.

Friday's close for the July lean hog futures contract was \$97.22/cwt, up \$1.00 from the previous Friday. August hogs settled at \$90.40/cwt, down \$2.90 for the week. October hogs ended the week at \$79.47/cwt.  $\Delta$

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