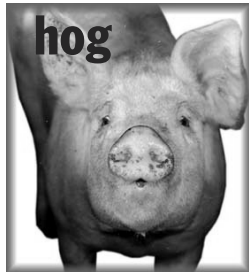


More Reduction Needed

# Canada Reduces Swine Herd Below U.S.



**GLENN GRIMES AND RON PLAIN**

Agricultural Economists •  
University of Missouri

## outlook

**T**he July 1 hogs and pigs inventory in Canada was down 6.7 percent from a year earlier. The breeding herd was down 4.6 percent, the market herd was down 7.0 percent, sows farrowed in the second quarter were down 6.9 percent and the second quarter pig crop was down 6.4 percent from 12 months earlier.

Canada has reduced the hog herd more than the United States, but both countries need to reduce more to get prices up into profitable levels.

Consumer demand for pork in the United States is doing quite well with a 4.0 percent increase in the last year for the January-July period. Beef demand at the consumer level was down 1.5 percent, broiler demand was down 3.5 percent and turkey demand was up 4.5 percent.

Both live hog demand and live fed cattle demand for January-July were down from a year earlier with live hog demand down 2.7 percent and live fed cattle demand down 8.1 percent.

As has been stated several times this year, our problem in the hog industry is not demand relative to the past but high costs of production because of ethanol. However, the only way to solve the problem is to reduce production because feed costs are going to stay high relative to history.

Current gilt and sow slaughter indicates any reduction in the hog herd is at a slow rate. Sow slaughter for the year through the week ending August 15 is down 7.8 percent, and gilt slaughter for this period is down 0.1 percent from a year earlier. But sow slaughter for the week

ending August 15 was up 6.0 percent from 12 months earlier.

Feeder pig prices were lower again last week nationally and this week at United Tel-o-auction pigs were \$10-20 per cwt lower than two weeks ago. All of the Tel-o-auction pigs weighed between 50-60 pounds and sold for \$30-37 per cwt.

Nationally last week 10-pound pigs averaged \$15.32 per head with 40-pound pigs at \$13.47 per head. The formula priced 10-pound pigs sold for \$30.56 per head and the 40-pound pigs sold for \$37.66 per head. The spot priced 10-pound pigs sold for \$6.91 per head and the 40-pound pigs sold for \$12.17 per head. The lowest priced 10-pound pigs sold for \$2.00 per head and the lowest priced 40-pound pigs sold for \$8.00 per head.

Pork product prices moved counter seasonally with very good gains this week. For Thursday afternoon the cutout at \$58.57 per cwt was up \$7.23 per cwt from a week earlier. Loins at \$66.49 per cwt were down \$0.04 per cwt, Boston butts at \$61.83 per cwt were up \$6.19 per cwt, hams at \$52.56 per cwt were up \$12.14 per cwt and bellies at \$58.61 per cwt were up \$2.43 per cwt from seven days earlier.

Live hog prices Friday morning were \$0.75 per cwt lower to \$2.00 per cwt higher compared to last Friday. Weighted average negotiated carcass prices Friday morning were \$0.26 - 1.26 per cwt higher compared to a week earlier.

The top live prices Friday morning were: Peoria \$27 per cwt, Zumbrota, Minnesota \$30 per cwt and interior Missouri \$32.75 per cwt. The weighted average negotiated carcass prices Friday morning were: western Cornbelt \$46.90 per cwt, eastern Cornbelt \$44.57 per cwt, Iowa-Minnesota \$46.90 per cwt and nation \$45.90 per cwt.

Slaughter this week under Federal Inspection was estimated at 2,196 thousand head, down 1.4 percent from a year earlier. Δ

*GLENN GRIMES AND RON PLAIN: Agricultural Economists, University of Missouri*



Link Directly To: **AgVENTURE**



Link Directly To: **APACHE**



Link Directly To: **PIONEER**