

Canadian Pork Imports Expected Close To 2011 Levels



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outlook

Statistics Canada announced the results of their April hog inventory survey this week. They said the Canadian swine breeding herd is unchanged from a year ago and their market hog inventory is up 2 percent. The number of sows farrowed during the first quarter of 2012 was up 0.2 percent. They predicted second quarter farrowings would be up 2.3 percent and third quarter farrowings would be down 1.2 percent. The Canadian swine herd is roughly a fifth the size of the U.S. herd. It looks like U.S. imports of hogs and pork from Canada this year will be close to 2011 levels.

The U.S. Bureau of Economic Analysis said the U.S. economy grew by 2.2 percent during the first quarter of 2012. That is far better than zero, but not fast enough growth to put a big dent in the unemployment numbers.

USDA says 28 percent of the corn acreage had been planted by April 22. That compares to an average of 15 percent on that date and only 8 percent planted on April 22, 2011.

The amount of pork in cold storage at the end of March, 612.7 million pounds, was down 1.6 percent from the month before, but up 6.7 percent from a year ago.

Hog prices ended this week mostly steady with the previous Friday. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$79.14/cwt, down 25 cents from last Friday.

The eastern corn belt averaged \$79.32/cwt this morning. The western corn belt averaged \$78.42/cwt. Iowa-Minnesota had an average price of \$78.37 on the morning report. Peoria had a top today of \$54.50 and Zumbrota a top of \$54/cwt. The top for interior Missouri live hogs Friday was \$58.75/cwt, up 75 cents from the previous Friday.

The pork cutout value was lower this week. USDA's Thursday afternoon calculated cutout value was \$76.75/cwt, down 71 cents from the previous Thursday. Hams and butts were higher this week. Bellies and loins were lower. Wholesale pork belly prices are now the lowest since January 12, 2010. Belly prices have been unusually high the last two years, boosting the pork cutout. That may be ending. Packer margins remain tight. The national average hog carcass price this morning is 3.1 percent above the cutout value.

Hog slaughter totaled 2.092 million head this week, up 0.4 percent from the week before and up 7.0 percent compared to the same week last year. Barrow and gilt carcass weights for the week ending April 14 averaged 206 pounds, unchanged from the week before and up one pound from a year ago. The average barrow and gilt live weight in Iowa-Minnesota last week was 276.9 pounds, up 0.5 pounds from a week earlier, up 4.0 pounds from a year ago, and above a year earlier for the 22nd consecutive week.

Friday's close for the May lean hog futures contract was \$85.50/cwt, down \$2.00 from the previous Friday. The June lean hog futures contract settled at \$86.60/cwt, down 80 cents for the week. July hogs ended the week at \$87.52 and August settled at \$88.00/cwt. May corn futures gained 41 cents this week to settle at \$6.53/bushel. Δ

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