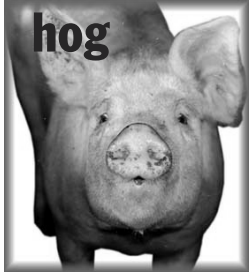


# Cold Pork Storage Dips This Spring



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## outlook

**G**ood news as to cold storage stock of pork at the end of March. Stocks at 593 million pounds were down 10 percent from a year earlier and down five percent from a month earlier. For the last five years, stocks of pork at the end of March were up 0.2 percent from a month earlier. Therefore stocks moved counter to normal at a good percentage. Even better news is that chicken cold storage stocks at the end of March were down 17 percent from a year earlier. Broiler producers are making progress at downsizing the size of the broiler production machine.

Retail pork prices in March were down 0.6 percent from February 2009 but up 3.8 percent from March of 2008. For January-March of 2009 retail pork prices were up 4.5 percent from 12 months earlier.

All members of the Pork Industry with the exception of the packers had better margins than a year earlier. The processor-retailer margin was up 6.8 percent and live hog prices for January-March were 6.2 percent higher but packer margin was down 9.9 percent for these three months compared to 2008.

The packers and hog producers have similar problems with overcapacity compared to the demand for pork and pork processing. This means both segments of the industry will have to downsize in the next few years to get production capacity in line with demand.

The live weights of barrows and gilts in Iowa-Minnesota last week at 269 pounds per head

were down 0.9 pound per head but up 3.4 pounds from a year earlier.

Cash feeder pig prices at United Tel-O-Auction this week were \$4-10 per cwt lower than two weeks earlier. The prices at United by weight groups were: 40-50 pounds at \$114.50-118 per cwt and a group of 63 pounds at \$100 per cwt.

The weighted average price per head for 50-54 percent lean early weaned 10 pound basis pigs in the U.S. last week were \$36.04 and 40 pound basis \$62.39 per head. These pigs were \$2-3 per head lower than a week earlier.

Pork product prices were pushed lower this week with the cutout Thursday afternoon at \$59.78 per cwt was down \$2.13 per cwt from last week. Loins at \$74.49 were down \$3.16 per cwt, Boston butts at \$70.14 were up \$0.71 per cwt, hams at \$42.84 per cwt were down \$5.89 per cwt and bellies at \$75.89 were down \$0.82 per cwt from seven days earlier.

Gilt and sow slaughter data is sending mixed signals. Sow slaughter for the year is down nearly eight percent and for the last four weeks down over 13 percent. Gilt slaughter is running relatively high. Our guess is that the breeding herd is not changing very much if any in either direction.

Live hog prices Friday morning were \$2.00 - \$4.25 compared to a week earlier. Weighted average negotiated carcass prices Friday morning were \$1.91 - \$2.89 per cwt higher compared to seven days earlier.

The top live prices at select markets Friday morning were: Peoria \$36 per cwt, Zumbrota, Minnesota, at \$41 per cwt and interior Missouri \$44.50 per cwt. The weighted average negotiated carcass by area were: western Cornbelt \$61.68 per cwt, eastern Cornbelt \$60.10 per cwt, Iowa-Minnesota \$62.60 per cwt and nation \$60.62 per cwt.

Slaughter this week was estimated at 2145 thousand head, down 4.6 percent from a year earlier. Δ

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