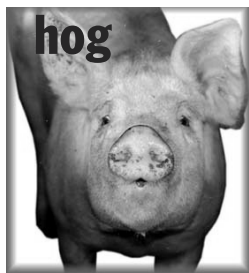


Cold Storage Pork Supply May Mean Increased Exports



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

The amount of pork in cold storage at the end of April was a record, or a least larger than any other month after 1972 when my data series begins. There was 698.816 million pounds of pork in cold storage on April 30. That was 7.8 percent more than the month before and 5.9 percent more than a year ago. I have mentioned before that an increase in stocks of frozen pork often accompanies an increase in pork exports. I do not think that is the case this time.

PEDV, porcine epidemic diarrhea virus, has come to the U.S. It is similar in symptoms to TGE. Like TGE, it causes a lot of death loss in baby pigs. Older pigs get sick but often survive. PEDV affects no animals other than pigs, so it shouldn't have an impact on pork demand.

After a very slow start, the corn crop is going into the ground fast. As of May 12, 28 percent of corn acres were planted. A week later, 71 percent was planted. That means nearly 6 million acres were planted per day for that seven day period. More than a million acres per day were planted in Iowa alone.

April pork production was the most for that month since 2008.

Over the last 10 years, May, June, July and August hog carcass prices have averaged within

\$2/cwt of each other with June the highest and August the lowest.

The national average negotiated carcass price for direct delivered hogs on the morning report today was \$90.19/cwt, down 18 cents from last Friday. The eastern corn belt averaged \$90.20/cwt this morning. Neither the western corn belt nor Iowa-Minnesota reported a morning price today. Peoria had a top live price this morning of \$61/cwt. Zumbrota, MN also topped at \$61/cwt. The top for interior Missouri live hogs Friday was \$65.25/cwt, up 75 cents from the previous Friday.

Friday morning's pork cutout calculation based on mandatory price reporting was \$95.88/cwt FOB plants, up \$3.27 from the week before. The wholesale belly price this morning was \$161.14/cwt, a record high. For the last 3 years bacon demand and bacon prices have been remarkably strong. The average hog carcass price is 94.1 percent of the calculated pork cutout value.

Hog slaughter this week totaled 2.054 million head, up 1.2 percent from the week before, but down 0.8 percent compared to the same week last year. Saturday's slaughter is only 2,000. Monday's slaughter will be even smaller because of Memorial Day. Next Saturday, slaughter should be well above 100,000 head. The average barrow and gilt live weight in Iowa-Minnesota last week was 276.6 pounds, down 0.2 pound from a week earlier, but up 0.5 pound from a year ago.

The June lean hog futures contract closed at \$94.87/cwt today, up \$3.35 from the previous week. July hog futures ended the week \$2.33 higher at \$93.30/cwt. August hogs settled at \$92.20/cwt. Δ

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