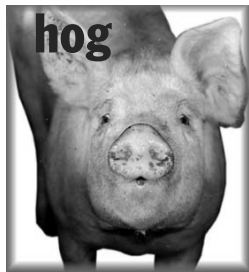


Cooler Summer Boosts Hog Weights



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outlook

There were 564.924 million pounds of pork in cold storage at the end of June. That was down 14.3 percent from the month before, down 4.7 percent from a year ago, and the lowest amount for any month since December. June was also the first month with frozen pork stocks below the year-earlier level since November 2010. The other major meats, beef, chicken and turkey, each had more in cold storage than in June 2012.

During the first six months of 2013, barrow and gilt slaughter was down 0.2 percent but sow slaughter was up 0.6 percent compared to a year ago. Because of lighter weights, pork production was down 0.7 percent compared to January-June 2012. There was one fewer slaughter day in the first half of this year than last.

Crop growing conditions are much better than a year ago. As of July 21, 63 percent of corn acres were rated in good or excellent condition. That is down 3 percentage points from the week before, but up 37 points from a year ago.

Optimism about the fall harvest is pushing down corn futures. The September corn contract ended the week at \$4.92/bushel, down 52 cents from the previous Friday. December corn settled at \$4.76, off 25 cents for the week. September soybean meal futures ended the week at \$404.00/ton, down \$19.70 for the week. December meal settled at \$369.90/ton.

The national average negotiated carcass price for direct delivered hogs on the morning report today was \$91.69/cwt, down \$2.53 from last Friday. The western corn belt averaged \$97.18/cwt this morning. Iowa-Minnesota had a morning average of \$97.44/cwt. The eastern corn belt did not have a morning price quote. Peoria had a top live price this morning of \$64/cwt. Zumbrota, MN topped out at \$68/cwt. The top for interior Missouri live hogs Friday was \$69/cwt, unchanged from the previous Friday.

Friday morning's pork cutout value based on mandatory price reporting was \$98.88/cwt FOB plants, down 91 cents from the week before, but up \$5.97 from a year ago. Loin and belly prices were higher this week; hams and butts were lower. The average hog carcass price is 92.7 percent of the calculated pork cutout value.

In recent weeks there has been a great deal of day-to-day variation in both the pork cutout and hog prices. This morning's negotiated hog price is \$3.46 lower than yesterday morning, the pork cutout is \$2.01 lower, and the average belly price is \$6.35 lower than yesterday.

Hog slaughter this week totaled 1.988 million head, down 0.9 percent from the week before and down 1.1 percent compared to the same week last year. The average barrow and gilt live weight in Iowa-Minnesota last week was 271.1 pounds, down 0.9 pound from a week earlier, but up 4.0 pounds from a year ago. The cooler summer this year is boosting hog weights.

The August lean hog futures contract closed at \$97.77/cwt today, up \$1.30 from the previous Friday. October hog futures ended the week at \$84.80/cwt, down 17 cents from the week before. December hogs closed the week at \$81.85/cwt. Δ

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