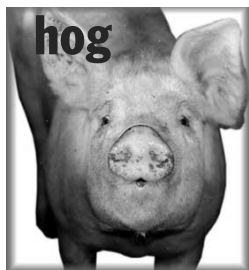


December-February Pig Crop Larger Than In 2011



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

USDA's March hog survey said the market hog inventory was up 2.0 percent from a year ago and the breeding herd was 0.6 percent larger. Both numbers were slightly larger than pre-release trade predictions.

USDA said that winter farrowings were up 1.2 percent and pigs per litter were up 1.7 percent making the December-February pig crop 2.9 percent larger than last year. They said farrowing intentions for spring were for a decline of 0.9 percent and predicted summer farrowings would be down 1.6 percent compared to last year. Farrowing intentions are well below trade forecasts.

If USDA's numbers are accurate, then daily hog slaughter during the second quarter of 2012 should be roughly 2.1 percent higher than last year with third quarter daily hog slaughter up 2.5 percent. Based on farrowing intentions, it looks like fourth quarter daily hog slaughter will be up 0.8 percent with first quarter 2013 slaughter even with the year before.

With corn prices expected to trend lower, the outlook is encouraging for 2013 hog profits.

Hog prices ended this week generally steady to \$2 higher from the previous week. The national average negotiated carcass price for di-

rect delivered hogs on the morning report today was \$81.50/cwt, up \$2.30 from last Friday. The western corn belt averaged \$81.67/cwt this morning. Iowa-Minnesota averaged \$81.95/cwt. The eastern corn belt had no price quote. The top for interior Missouri live hogs was \$58.50/cwt, up 75 cents from the previous Friday.

USDA's Thursday afternoon calculated pork cutout value was \$78.15/cwt, down \$1.36 from the previous Thursday to the lowest level since January 6, 2011. Hams

were lower this week. Bellies, butts and loins were higher. The western corn belt average hog carcass price is 4.5 percent above the pork cutout value.

Hog slaughter totaled 2.124 million head this week, up 0.5 percent from the week before and up 3.0 percent compared to the same week last year. Barrow and gilt carcass weights for the week ending March 24 averaged 206 pounds, unchanged from the week before and unchanged from a year ago. The average barrow and gilt live weight in Iowa-Minnesota last week was 277.3 pounds, up 0.7 pounds from a week earlier, up 3.6 pounds from a year ago, and above a year earlier for the 19th consecutive week. Year-to-date pork production is up 0.9 percent.

The futures market ended the week a day early because of the Good Friday holiday. Thursday's close for the April lean hog futures contract, \$84.50/cwt, was up \$1.08 from the previous Friday. The May lean hog futures contract settled at \$94.22/cwt, up \$2.30 for the week. June hogs ended the week at \$93.52 and July settled at \$93.30/cwt. Δ

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