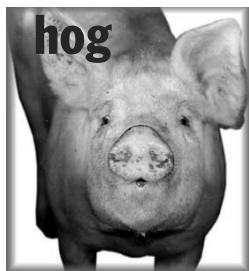


# Drop In Hog Prices Likely Due To Earthquake And Tsunami In Japan



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## outlook

**P**ork trade started 2011 on a strong note. U.S. pork exports during January totaled 369 million pounds, up 54 million pounds (17 percent) compared to January 2010. Japan, South Korea and China each purchased at least 19 million pounds more U.S. pork in January than 12 months earlier.

U.S. pork imports during January totaled 64 million pounds, up 48 thousand pounds (0.1 percent) compared to a year earlier.

In January, the U.S. exported 19.5 percent of our pork production. Imports equaled 3.4 percent of production. U.S. per capita pork supply in January was down 1.6 percent from a year earlier.

Hog imports during January totaled 481,932 head, down 3.6 percent compared to January 2010.

Hog prices rose steadily this week, then collapsed on Friday. The net result was Friday's hog prices were little different than seven days earlier. The sudden drop is likely due to the news about the big earthquake and tsunami in Japan. The Japanese are the biggest foreign buyers for U.S. pork, so their natural disaster also may become a problem for U.S. pork exports.

The national weighted average carcass price for negotiated hogs Friday morning was \$79.04/cwt, down 37 cents from the previous

Friday. This morning's western corn belt carcass prices averaged \$77.37/cwt, the same as in Iowa-Minnesota. This morning the eastern corn belt averaged \$81.14/cwt. The top live hog price Friday at Zumbrota was \$56/cwt. Peoria topped out at \$57.50/cwt this morning. The interior Missouri live top Friday was \$58.50/cwt, up 50 cents from the previous Friday.

USDA's Thursday afternoon calculated pork cutout value was \$91.12/cwt, up 73 cents from the previous Thursday.

Loins, bellies and butts were higher this week. Hams were lower. Pork belly prices are the highest since September.

The average carcass weight of barrows and gilts slaughtered the week ending February 26 was 206 pounds, up 1 pound from the previous week and 6 pounds heavier than a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 272.6 pounds, down 1.6 pounds from the week before, but up 3.3 pounds compared to a year earlier. Hog weights have been above year-ago for the last 24 weeks.

Hog slaughter totaled 2.154 million head this week, up 0.7 percent from the week before and up 0.9 percent compared to the same week last year.

The April lean hog futures contract ended the week at \$88.00/cwt, down 47 cents from the previous Friday. The May contract ended the week at \$98.30/cwt. June hogs settled at \$99.50. Earlier this year, we had four contract months above \$100.00. Now none are.

March corn futures ended the week at \$6.59 per bushel, down 62 cents from the week before. The May corn contract settled at \$6.64/bu. down 64 cents from a week earlier. July settled at \$6.71.  $\Delta$

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