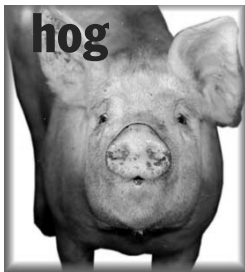


Experts Fear Exports To China Will Drop



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

US. pork exports during March totaled 486.6 million pounds, up 6.9 percent from February, but 0.8 percent lower than in March 2011. There is a lot of concern that exports to China will drop sharply this year; they have declined each month since November. However, March shipments to China were 22.9 million pounds more than a year ago. During the first quarter of 2012, pork exports were up 15.8 percent compared to January-March 2011. Pork imports were up 3.2 percent.

Live hog import from Canada during the first quarter of 2012 totaled 1.44 million head, down 0.8 percent compared to last year.

USDA says 71 percent of corn acreage had been planted by May 6. That compares to an average of 47 percent planted on that date and 32 percent planted on May 6, 2011. USDA is predicting a record yield of 166 bushels per acre and the most corn acres since 1937. They are predicting the average farm price for corn harvested this fall will be roughly \$1.50 per bushel lower than for the 2011 harvest.

USDA is predicting 2012 pork production will be 2.3 percent higher than last year and 2013 pork production will be 2.3 percent higher than this year. They expect beef production to decline 3.8 percent this year and another 2.5 percent in 2013. In total, red meat and poultry production this year is expected to be down 1 percent from 2011 with 2013 production up 1 percent from this year.

Hog prices ended this week lower than the

previous Friday. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$74.42/cwt, down 95 cents from last Friday. The eastern corn belt averaged \$73.82/cwt this morning. Neither the western corn belt nor Iowa-Minnesota had enough hogs sold early Friday morning for a price quote. Peoria had a top today of \$51.50 and Zumbrota a top of \$50/cwt. The top for interior Missouri live hogs Friday was \$55.75/cwt, down 75 cents from the previous Friday.

USDA's Thursday afternoon calculated cutout value was \$80.12/cwt, up \$2.02 from the previous Thursday and the highest cutout since March 28. Loins, bellies, butts and hams were all higher this week. The negotiated hog carcass price this morning is 92.9 percent of the pork cutout value. That is a bit above average, but much more typical than the 100 percent plus average during April.

Hog slaughter totaled 2.089 million head this week, up 1.0 percent from the week before and up 5.5 percent compared to the same week last year. This is the third consecutive week with slaughter well above the level expected based on the last hog inventory survey. Barrow and gilt carcass weights for the week ending April 28 averaged 206 pounds, unchanged from the week before and up one pound from a year ago. The average barrow and gilt live weight in Iowa-Minnesota last week was 276.7 pounds, up 0.6 pounds from a week earlier, up 5.0 pounds from a year ago, and above a year earlier for the 24th consecutive week.

Friday's close for the May lean hog futures contract was \$79.52/cwt, down 28 cents from the previous Friday. The June lean hog futures contract settled at \$85.30/cwt, up \$1.58 for the week. July hogs ended the week at \$85.15; August settled at \$85.65/cwt. Δ

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