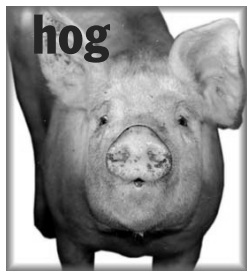


Export Demand Rises 28 Percent In April



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outlook

Pork exports during April were up 2.2 percent compared to 12 months earlier. Pork imports were down 4.6 percent. In April, 5.5 pounds of pork were exported for each pound imported. During the first four months of 2010 pork exports were up 1.5 percent and imports down 3.5 percent. January-April exports to Japan, our biggest foreign customer, were down 7.1 percent but shipments to Mexico and Canada were up 25.7 percent and 10.6 percent, respectively. Exports to Russia, China and South Korea lag well behind last year. Exports to Hong Kong, Australia, Taiwan and the Philippines are up.

Export demand for pork was up 28 percent in April. During the first four months of 2010 export demand is up 13 percent compared to January-April 2009.

USDA's June supply and demand estimates increased forecasted corn use for ethanol and reduced the expected corn carryover. They are currently forecasting that 34.7 percent of the 2009 corn crop and 35.2 percent of the 2010 corn crop will be milled for ethanol. USDA is predicting an average farm price in the neighborhood of \$3.55/bu for the 2009 crop and \$3.60/bu for the 2010 crop.

USDA lowered their forecast of 2010 red meat production by 0.6 percent (beef down 0.7 per-

cent and pork down 0.5 percent). They also lowered their forecast of 2010 prices (steers down \$2/cwt and live hogs down \$0.50/cwt from last month's forecast).

USDA's Thursday afternoon calculated pork cutout value was \$83.62/cwt, down \$1.75 from the previous Thursday. Loins, hams, bellies and butts were all lower this week.

The national weighted average carcass price for negotiated hogs Friday morning was \$72.21/cwt, \$1.90 lower than the previous Friday. Regional average prices on Friday morning were: eastern corn belt \$71.52, western corn belt \$75.03, and Iowa-Minnesota \$75.22/cwt. The top live hog price Friday at Sioux Falls was \$53/cwt, down \$2.50 from the previous Friday. Peoria topped at \$51 on Friday and Zumbrota, MN had a top price of \$52. The interior Missouri live top Friday was \$52.75/cwt, \$2.25 lower than the previous Friday.

This week's hog slaughter totaled 2.026 million head, up 13.1 percent from the week before, but down 2.5 percent compared to the same week last year. Last week's slaughter was light due to the Memorial Day holiday.

The average carcass weight of barrows and gilts slaughtered the week ending May 29 was 201 pounds, the same as the week before and up 1 pound compared to a year ago. Iowa-Minnesota live weights last week averaged 272.3 pounds, up 3.0 pounds compared to a year earlier.

The June lean hog futures contract ended the week at \$77.77/cwt, down \$1.28 from the previous Friday. The July contract settled at \$78.55, down \$1.17 for the week. August closed the week \$80.35 lower at \$0.42/cwt and October ended the week at \$73.50/cwt. Δ

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