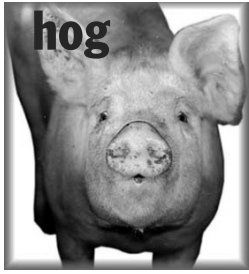


First Half Year Pork Imports, Exports Rose



GLENN GRIMES AND RON PLAIN
Agricultural Economists •
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outlook

Pork exports in July were down 7.1 percent compared to a year earlier. Our biggest foreign customer, Japan, purchased 9.4 percent less U.S. pork than in July 2009. Hong Kong, South Korea, Russia and Taiwan each purchased less U.S. pork than in July 2009. The decrease is likely driven by the combination of high pork prices and a stronger dollar. In total, 19.3 percent of July's U.S. pork production was exported.

July pork imports were up 0.2 percent from June and up 4.0 percent from last July. Canada and Poland shipped more pork to us and Denmark less than in July 2009. July pork imports equaled 4.4 percent of U.S. production.

For the first seven months of the year, pork imports were up 1.0 percent and pork exports were up 5.6 percent compared to January-July 2009.

The number of hogs imported from Canada during July, 488,428 head, was down 14.7 percent from a year earlier. This was the 28th consecutive month that swine imports were below year-earlier. Feeder pig imports were down 11.6 percent while imports of slaughter hogs were down 27.6 percent.

USDA's Thursday afternoon calculated pork cutout value was \$90.25/cwt, down \$2.13 cents from the previous Thursday. Loins and hams

were lower, but bellies and butts were higher. Bellies averaged \$1.4945 per pound, the highest in well over a decade, if not an all time record price.

The national weighted average carcass price for negotiated hogs Friday morning was \$79.46/cwt, \$3.38 higher than the previous Friday. Regional average prices on Friday morning were: eastern corn belt \$78.84, western corn belt \$80.64, and Iowa-Minnesota \$80.70/cwt. The top live hog price Friday was \$59/cwt at Sioux Falls, \$54 at Peoria, and \$55 at Zumbrota. The interior Missouri live top Friday was \$55/cwt, 75 cents lower than the previous Friday.

This week's hog slaughter totaled 1.917 million head, down 9.3 percent from the week before and down 6.4 percent compared to slaughter during the same week last year. Year-to-date, pork production is down 4.5 percent.

The average carcass weight of barrows and gilts slaughtered the week ending August 28 was 196 pounds, down 1 pound from the week before and down 1 pound from a year ago. Iowa-Minnesota live weights last week averaged 266.7 pounds, down 0.7 pounds compared to a year earlier. This was the fifth consecutive week that Iowa-Minnesota weights have averaged below year-ago.

USDA's September crop report estimated the national average corn yield at 162.5 bushels per acre (down 2.5 bushels from their previous estimate) and the crop at a record 13.16 billion bushels. USDA lowered their estimate of carry-in by 40 million bushels, raised their forecast of corn exports by 50 million bushels and raised their price forecast for the 2010-11 marketing year to \$4.00-4.80/bushel. Δ

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