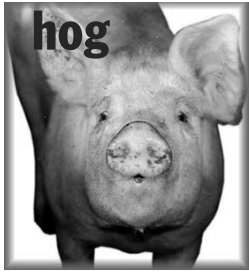


Hog Prices End Week At Record Levels



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

In the April WASDE report, USDA raised their forecast of the average live price of 51-52 percent lean barrows and gilts in 2011 by \$2.50/cwt to between \$62 and \$65/cwt. USDA is now predicting 2011 domestic per capita pork consumption at 46.8 pounds per person, down 0.9 pound from last year, but 0.1 pound higher than their March estimate.

For the second week in a row, hog prices ended the week at record levels. The national weighted average carcass price for negotiated hogs Friday morning was \$92.15/cwt, up \$3.31 from the record set the previous week. The eastern corn belt averaged \$92.70, also a record. Neither the western corn belt nor Iowa-Minnesota had enough sales Friday morning for a published price quote. The top live hog price Friday at Sioux Falls was \$64/cwt. The top at Zumbrota was \$62 and Peoria's top was \$60.50/cwt. The interior Missouri live top Friday was \$63.75/cwt, up \$3.00 from the previous Friday.

USDA's Thursday afternoon calculated pork cutout value was \$94.28/cwt, down \$1.11 from the previous Thursday with hams sharply lower. Loins, bellies and butts were higher.

This morning's average hog carcass price was

98.3 percent of the pork cutout value. That is unsustainably high. Either hog prices are going to drop or cutout is going to rise, or both.

The live hog price is very high relative to the carcass price. On Thursday the average negotiated barrow and gilt purchase on a live weight basis was \$73.38/cwt which was 81.1 percent of the day's average carcass price of \$90.42/cwt. This too will not last.

The average carcass weight of barrows and gilts slaughtered the week ending March 26 was 206 pounds, unchanged from the previous week and 5 pounds heavier than a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 273.7 pounds, down 0.4 pounds from the week before and up 3.5 pounds compared to a year earlier. This was the 29th consecutive week above year-earlier.

Hog slaughter totaled 2.069 million head this week, down 2.8 percent from the week before, but up 3.0 percent compared to the same week last year, which was light because it began with Easter Monday.

The April lean hog futures contract ended the week at \$93.15/cwt, down \$1.07 from the previous Friday. The May contract ended the week at \$100.97/cwt. June hogs settled at \$100.65. July and August also closed slightly above \$100/cwt.

The nearby corn futures contract (May) traded above \$7.70 per bushel at times this week and settled at \$7.68 on Friday. The old record for nearby corn was set on June 27, 2008 at \$7.55/bu for the July contract. Δ

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