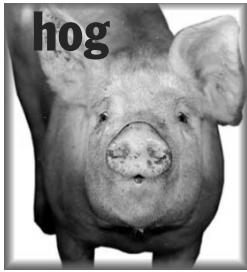


Hog Prices Expected To Remain Close To \$66



GLENN GRIMES AND RON PLAIN
Agricultural Economists •
University of Missouri

outlook

USDA's February supply and demand estimates raised the forecast for corn and wheat exports and lowered the expected market year ending stocks of both crops. It also reduced by 15.4 percent the forecast of the upcoming corn crop in Argentina and cut their soybean crop prediction by 5.0 percent. USDA reduced the forecast of the Brazilian soybean crop by 2.7 percent.

USDA increased the forecast of 2012 pork production by 0.2 percent from last month. There are now forecasting 2.1 percent more pork this year than last. Fortunately, total red meat and poultry production is expected to be down 1.8 percent this year. So, hog prices are expected to average close to last year's \$66/cwt of live weight.

Gasoline prices are rising with some forecasts of \$4/gallon by Memorial Day. High gas prices are not good news for meat demand or for the economy in general.

Hog prices ended the week steady to \$1 lower than the previous Friday. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$80.88/cwt, down 62 cents from last Friday.

The western corn belt averaged \$83.73 this morning and Iowa-Minnesota had a morning average of \$84.55/cwt. There were not enough sales in the eastern corn belt for a morning price quote. Friday's top live hog price at Peoria was \$59.50/cwt. Zumbrota, had a top of \$59/cwt. The top for interior Missouri live hogs was \$60.75/cwt, unchanged from the previous Friday.

USDA's Thursday afternoon calculated pork cutout value was \$84.82/cwt, down 13 cents from the previous Thursday. Butts, bellies and hams were lower; loins were higher. The Iowa-Minnesota average hog price this morning was 99.7 percent of the pork cutout value. A carcass hog price at 92 percent of cutout is normal.

Hog slaughter totaled 2.13 million head this week, down 0.3 percent from the week before and down 0.9 percent compared to the same week last year. Barrow and gilt carcass weights for the week ending January 28 averaged 206 pounds, the same as the week before and 1.6 pounds heavier than a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 275.4 pounds, down 0.1 pound from the previous week and up 1.6 pound compared to a year earlier.

Today's close for the February lean hog futures contract, \$86.85/cwt, was down 67 cents from the previous Friday. The April lean hog futures contract settled at \$88.30/cwt, down 62 cents for the week. May hogs settled at \$97.30/cwt. June hogs ended the week at \$97.85/cwt. Δ

GLENN GRIMES AND RON PLAIN: Agricultural Economists, University of Missouri



Link Directly To: **ABM**



Link Directly To: **SYNGENTA**



Link Directly To: **VERMEER**