

# Hog Prices Were Down For Week



**GLENN GRIMES AND RON PLAIN**  
Agricultural Economists •  
University of Missouri

## outlook

The USDA monthly crop report released today showed that the current crop situation is continuing to deteriorate in the U.S. USDA cut the national corn yield by nearly 23 bushels per acre relative to July to 123.4 bushels per acre. The current corn yield estimate is at a level that has not been experienced since the 1995/96 crop. USDA reduced soybean yields by 4.4 bushels in the August report relative to a month ago. USDA also reduced harvested area of corn and soybeans in the August report.

The report estimates 2012/13 corn feed and residual use at 4.075 billion bushels, a level not seen since the drought of 1988/89. The large decline in corn available for feed use will require livestock production declines in 2013.

USDA increased corn and soybean meal price estimates significantly in the August report. The corn price mid-point went from \$5.90 per bushel in the July report to \$8.20 per bushel in the August report. The soybean meal price mid-point gained \$95 per ton in the August report to reach \$475 per ton. These feed costs will drive livestock industry changes well into 2013. USDA's Thursday afternoon calculated pork cutout value was \$92.80/cwt, up 2 cents from the previous Thursday but \$16.63 lower than this week last year. Hams and butts were

higher for the week, but loins and ribs were down. Pork bellies finished the week unchanged.

Hog prices were down for the week, giving back the gains that occurred last week for the most part. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$86.32/cwt, down \$4.02 from last Friday. The eastern corn belt averaged \$83.98/cwt this morning. The western corn belt averaged \$88.59, with Iowa-Minnesota at

\$88.76/cwt. Peoria had a top live price this morning of \$59 and Zumbrota had a live top today of \$61/cwt. The top for interior Missouri live hogs Friday was \$64.50/cwt, unchanged from the previous Friday. The average hog carcass price fell to 93.0 percent of the cutout value.

Hog slaughter this week totaled 2.031 million head, up 0.3 percent from the week before but down 0.5 percent compared to the same week last year. Year to date hog slaughter is 1.2 percent above the 2011 number.

The average barrow and gilt live weight in Iowa-Minnesota last week was 265.7 pounds, only slightly above a week earlier, but up nonetheless for the week for the first time since June 2. Weights were up 4.9 pounds from a year ago, continuing the string of above year-earlier weights which dates back to November of 2011.

Hog futures were mixed this week. Friday's close for the August lean hog futures contract was \$91.88/cwt, up \$2.33 from the previous Friday. October hogs settled at \$75.75/cwt, down \$0.10 for the week. December hogs ended the week at \$73.48/cwt, down \$0.47 from the week before. Δ

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



Link Directly To: **PIONEER**