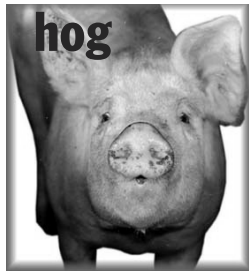


ISU: Iowa Hog Sold At \$11.46 Loss In May



GLENN GRIMES AND RON PLAIN
Agricultural Economists •
University of Missouri

outlook

USDA's June Hogs and Pigs Report said the breeding herd was up 0.3 percent compared to a year ago and the market hog inventory was down 0.1 percent. The number of sows farrowed this spring was down 2.0 percent. Farrowing intentions for June-August was down 0.1 percent and fall farrowing intentions are up 1.0 percent. In general, the report is slightly bullish.

USDA's June acreage report estimates 97.379 million acres are planted to corn this year. That is up 97,000 acres from the March estimate and 224,000 acres more than last year. The average of pre-release trade forecasts was for 95.34 million acres of corn. Soybean acreage is put at 77.728 million, up 530,000 acres from last year and 602,000 acres more than the March estimate. The trade forecast was for 78.024 million acres. Wheat acres are predicted to total 56.53 million, up 794,000 from last year and up 90,000 from the March estimate. The trade forecast 55.751 million acres of wheat.

USDA's June grain stocks survey found less corn, wheat, and soybeans in storage than the average of trade forecasts. The higher-than-expected acres outweighed the lower-than-expected stocks to push grain futures prices lower today.

Iowa State University's monthly calculations indicate the typical Iowa hog was sold at a loss of \$11.46 during May. That was the tenth con-

secutive month with red ink. ISU's calculated breakeven live price for May was \$72.19/cwt. That was lower than the month before for the fourth consecutive month.

As of June 23, 65 percent of corn acres were rated in good or excellent condition. That is up 1 percentage point from the week before and up 9 points from a year ago.

The national average negotiated carcass price for direct delivered hogs on the morning report today was \$97.29/cwt, down 76 cents from last Friday. On the morning report today, both the western corn belt and Iowa-Minnesota hogs averaged \$98.02/cwt. The eastern corn belt did not have enough early sales for a morning price quote. Peoria had a top live price this morning of \$67/cwt. Zumbrota, MN topped at \$68/cwt. The top for interior Missouri live hogs Friday was \$72/cwt, up \$2.25 from the previous Friday.

Friday morning's pork cutout value based on mandatory price reporting was \$111.28/cwt FOB plants, up \$3.57 from the week before and up \$17.77 from 4 weeks ago. The cutout value, bellies and butts all set new record highs this week. The average hog carcass price is 87.4 percent of the calculated pork cutout value.

Hog slaughter this week totaled 2.018 million head, up 1.8 percent from the week before and up 0.6 percent compared to the same week last year. The average barrow and gilt live weight in Iowa-Minnesota last week was 274.0 pounds, down 1 pound from a week earlier, but up 2.6 pounds from a year ago.

The July lean hog futures contract closed at \$101.27/cwt today, up \$1.52 from the previous Friday. August hog futures ended the week at \$97.45/cwt. October hogs settled at \$85.80/cwt. Δ

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