

# June Pork Exports Drop Despite Large Sales To Mexico



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## outlook

**T**he American Association of Swine Veterinarians says that as of July 28, PED virus has been confirmed on 434 farms in 16 states. 35.5 percent of the farms are in Iowa, 23.5 percent are in Oklahoma and 9 percent are in Minnesota. Missouri has one confirmed case of PEDv. The number of newly infected farms appears to have peaked in early June. Will infection rates rebound this winter?

U.S. pork exports during June were down 1 percent compare to a year earlier despite a 24 percent jump in exports to our second biggest foreign customer, Mexico. Pork sales to our biggest customer, Japan, were up 7 percent in June. Russia accounted for the decline in pork exports. In total, 23.8 percent of U.S. June pork production was exported.

Pork imports during June were up 5.6 percent compared to last June. The increase in pork imports was due to more Canadian pork. In total, June imports equaled 4 percent of U.S. pork production.

Live hog imports during June were down 15 percent with feeder pigs down 18 percent and slaughter hog imports up 0.7 percent.

My monthly calculations say year-over-year domestic meat demand was up 1.7 percent in June with pork up 5.2 percent, beef up 1.2 percent, chicken up 0.7 percent, and turkey down 4.5 percent.

Crop growing conditions remain much better

than last year. As of August 4, 64 percent of corn acres were rated in good or excellent condition. That is up 1 percentage point from the week before and up 41 points from a year ago.

The national average negotiated carcass price for direct delivered hogs on the morning report today was \$96.88/cwt, up \$3.51 from last Friday. Negotiated live weight purchases averaged \$75.17/cwt. The eastern corn belt averaged \$95.44/cwt this morning. Neither the western corn belt nor Iowa-Minnesota had enough early morning sales for a price quote. Peoria had a top live price this morning of \$66/cwt. Zumbrota, MN topped out at \$69/cwt. The top for interior Missouri live hogs Friday was \$69.75/cwt, up 75 cents from the previous Friday.

Friday morning's pork cutout value based on mandatory price reporting was \$105.87/cwt FOB plants, up \$2.20 from the week before and up \$13.07 from a year ago. This week's pork belly prices are at record levels. Loin, hams, butt and belly prices were all higher this week. The average hog carcass price is 91.5 percent of the calculated pork cutout value.

Hog slaughter this week totaled 2.019 million head, down 0.1 percent from the week before and down 1.3 percent compared to the same week last year. The average barrow and gilt live weight in Iowa-Minnesota last week was 271.6 pounds, up 1.2 pounds from a week earlier and up 5.9 pounds from a year ago. This is the biggest year-over-year weight increase since January 2011.

The August lean hog futures contract closed at \$100.52/cwt today, up \$1.27 from the previous Friday. October hog futures ended the week at \$84.97/cwt, up \$1.02 from the week before. December hogs closed the week at \$82.05/cwt.

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