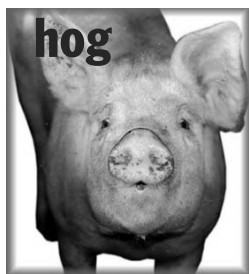


Live Weight Hog Prices Up This Year



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

Grocery store pork prices during January were above year-ago for the 22nd consecutive month. Retail pork prices averaged \$3.495 per pound last month, up 3.4 cents from December and up 25.4 cents from January 2011.

The live weight average price in January for 51-52 percent lean hogs was \$62.18/cwt, up 4 cents from December and up \$6.62 from January 2011.

For the 27th consecutive quarter, Canada has a lower swine breeding herd inventory than a year ago. The Canadian breeding herd was down 0.1 percent at the start of 2012, but their market hog inventory was up 1.2 percent. Despite a slightly smaller breeding herd, Statistics Canada said the number of sows farrowed during the fourth quarter of 2011 was up 1.0 percent compared to a year earlier and predicted first quarter 2012 farrowings would be up 1.8 percent. They forecast farrowings during the second quarter of 2012 to be up 6.6 percent compared to April-June 2011. Productivity continues to rise as the fourth quarter pig crop was up 4.1 percent from only 1 percent more sows farrowed. The Canadian sow herd is between a fifth and a fourth the size of the U.S. sow herd.

Hog prices ended the week \$1-4 higher than

the previous Friday. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$83.95/cwt, up \$4.65 from last Friday. The western corn belt averaged \$86.62 this morning and the eastern corn belt had a morning average of \$83.02/cwt. There were not enough sales in Iowa-Minnesota for a morning price quote. Friday's top live hog price at both Peoria and Zumbota was \$60/cwt. The top for interior Missouri live hogs was also \$60/cwt, up 50 cents from the previous Friday.

USDA's Thursday afternoon calculated pork cutout value was \$85.56/cwt, down 76 cents from the previous Thursday despite loins, butts, bellies and hams all ending the week slightly higher. The western corn belt average hog price this morning was an amazing 101.2 percent of the pork cutout value. This can't last.

Hog slaughter totaled 2.12 million head this week, down 1.3 percent from the week before, but up 0.6 percent compared to the same week last year. Barrow and gilt carcass weights for the week ending February 11 averaged 206 pounds, up 1 pound from the week before and unchanged from a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 276.0 pounds, up 0.1 pound from the previous week and up 2.9 pounds compared to a year earlier. Year-to-date pork production is up 0.6 percent.

Today's close for the April lean hog futures contract, \$89.72/cwt, was down 65 cents from the previous Friday. The May lean hog futures contract settled at \$98.72/cwt, down 18 cents for the week. June hogs settled at \$99.17/cwt. July hogs ended the week at \$99.20/cwt. **Δ**

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