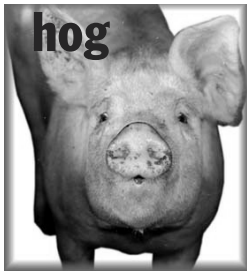


Lower Prices For Pork Second Week In Row



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

Iowa State University calculations put the average production cost for Iowa barrows and gilts marketed in April at \$64.37/cwt (live). April's cost was record high for the third consecutive month. ISU estimates the April profit at \$13.82/head marketed.

Through April 23, the number of feeder pigs imported from Canada was down 2.2 percent from the comparable period in 2010. USDA's weekly data indicates imports of Canadian barrows and gilts for slaughter were down 4.1 percent and slaughter sow imports were down 12.9 percent.

The Bureau of Labor Statistics says 244 thousand jobs were added in April, the biggest monthly increase since May. However, the unemployment rate increased from 8.8 percent to 9.0 percent due to a surge in people re-entering the labor market.

June crude oil futures closed at \$98.45/barrel on Friday, down \$15.07 from Monday's close. The national average gasoline price reached \$4/gallon this week. Barring a rebound in crude oil, gasoline prices should start dropping soon.

Pork cutout, cash hogs and hog futures were all lower for the second week in a row. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$87.58/cwt, down \$2.54 from last Friday. The eastern corn belt average this morning was

\$86.42/cwt while the western corn belt average was \$90.57/cwt, \$4.15 higher than in the east. Iowa-Minnesota hogs averaged \$91.55/cwt on the morning report. Friday's top live hog price at both Peoria and Zumbrota was \$61/cwt. The top for interior Missouri hogs was \$63/cwt, down \$1.50 from the previous Friday.

USDA's Thursday afternoon calculated pork cutout value was \$90.47/cwt, down \$1.29 from the previous Thursday. Ham prices were higher, but loins, butts, and bellies were lower. Pork bellies are down \$24.33/cwt from their price just three weeks ago. This morning's national average hog carcass price was 97 percent of the pork cutout value. The morning hog price in the western corn belt was above yesterday's cutout value. That is obviously not sustainable. Expect lower hog prices next week.

Hog slaughter totaled 1.989 million head this week, up 2.0 percent from the week before but down 0.2 percent compared to the same week last year. Iowa-Minnesota live weights for barrows and gilts last week averaged 273.3 pounds, up 0.4 pound from the week before and up 2.8 pounds compared to a year earlier.

The May lean hog futures contract ended the week at \$93.35/cwt, down \$1.92 from the previous Friday. The June contract settled Friday at \$92.37/cwt. July hogs settled at \$92.60 and August hogs ended at \$93.95/cwt.

USDA's latest crop progress report estimates 13 percent of the corn acres was planted by May 1, down from 66 percent planted on that date last year and a 5-year average of 40 percent planted.

The May corn futures contract lost 71 cents this week to end at \$6.8275/bushel. December corn ended the week at \$6.4025/bushel. Δ

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