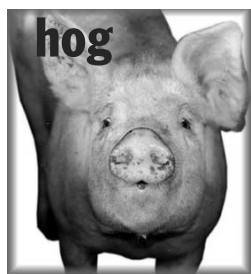


More Pigs Per Litter Spurs Herd Growth



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outlook

Statistics Canada's latest hog survey says that the Canadian swine inventory at the start of July was up 0.6 percent compared to a year earlier. The breeding herd was up 0.1 percent and the market hog inventory was up 0.7 percent. The combined U.S. and Canadian swine herd was up 0.1 percent at midyear with a breeding herd that was up 0.3 percent. During the first six months of 2013, Canadian hog producers farrowed 3.7 percent fewer sows and produced 1.6 percent fewer pigs than a year earlier. Herd growth in both countries is coming from more pigs per litter rather than more sows.

USDA-ERS says the average retail price of pork was record high in July at \$3.60 per pound, up 7.9 cents from June, up 19.6 cents from July 2012, and up 6.9 cents from the old record set in September 2011. Retail beef prices also set a new record in July.

The average price for 51-52 percent lean hogs was \$72.88/cwt in July, up 23 cents from June, up \$2.95 from July 2012, but down \$3.21 from the record set in August 2011.

USDA-NASS's latest Cold Storage report says the U.S. had 545 million pounds of frozen pork at the end of July. That was down 3.5 percent from the month before, down 0.8 percent from a year ago, and down 22.2 percent from the record set at the end of April.

Testing data from the National Animal Health Laboratory Network says that as of August 11,

the Porcine Epidemic Diarrhea virus has been confirmed on 497 farms in 17 states. This is an increase of 36 farms from the week before.

Crop growing conditions remain good. As of August 18, 61 percent of corn acres were rated in good or excellent condition. That is down 3 points from the week before, but up 38 percentage points from a year ago.

The national average negotiated carcass price for direct delivered hogs on the morning report today was \$91.46/cwt, down \$4.45 from last Friday. The eastern corn belt averaged \$91.50/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 \$61/cwt. Zumbrota, MN topped out at \$63/cwt. The top for interior Missouri live hogs Friday was \$67.50/cwt, down \$2.75 from the previous Friday.

Friday morning's pork cutout value based on mandatory price reporting was \$98.59/cwt FOB plants, down \$3.32 from the week before, but up \$1.54 from a year ago. Belly prices were down a whopping \$27.24/cwt this week. The average hog carcass price is 92.8 percent of the calculated pork cutout value.

Hog slaughter this week totaled 2.207 million head, up 1.4 percent from the week before, but down 2.9 percent compared to the same week last year. The average barrow and gilt live weight in Iowa-Minnesota last week was 272.0 pounds, up 0.4 pounds from a week earlier and up 4.3 pounds from a year ago.

The October lean hog futures contract settled at \$85.10/cwt today, down \$1.62 from the previous Friday. December hog futures ended the week at \$82.25/cwt, down \$1.20 from the week before. February hogs closed the week at \$84.50/cwt. Δ

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