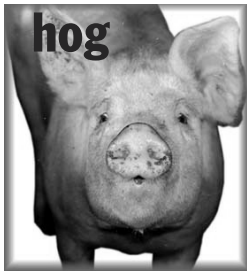


# New All-Time Record Pork, Hog Prices Set



**GLENN GRIMES AND RON PLAIN**  
Agricultural Economists •  
University of Missouri

## outlook

The President signed a bill to increase the debt ceiling and the stock market crashed. Those were the two big stories in the financial markets this week. As a result, the media paid little attention to the fact that this week saw new all-time records for pork and hog prices. Iowa-Minnesota carcass prices averaged \$106.30/cwt on Thursday. Lower-than-expected pork production and strong export demand are given credit for the hog price records. South Korea is suspending through September their tariff on chilled pork imports to counter high prices and short supplies caused as they fight a foot and mouth disease outbreak.

The national average negotiated carcass price for direct delivered hogs on the morning report today was \$101.07/cwt, up \$1.06 from last Friday. The Friday morning price report for the western corn belt was \$104.63/cwt. Iowa-Minnesota averaged \$104.94/cwt. The eastern corn belt averaged \$100.36/cwt. Friday's top live hog price at Peoria was \$70/cwt. Zumbrot's top was \$72/cwt. The top for interior Missouri live hogs was \$72.75/cwt, up \$3.00 from the previous Friday.

The pork cutout value rose for the fifth consecutive week. USDA's Thursday afternoon calculated pork cutout value was \$108.10/cwt, up \$3.92 from the previous Thursday and a new record high. Loins, hams, butts, and bellies were all higher this week. This morning's na-

tional average hog carcass price equaled 93.5 percent of the pork cutout value, a reasonable percentage for this time of year.

Hog slaughter totaled 1.958 million head this week, down 1.7 percent from last week and down 0.5 percent compared to the same week last year. Barrow and gilt slaughter is running 1 percent under the level implied by the June hogs and pigs report. This may be due in part to extremely hot weather. Barrow and gilt carcass weights for the week ending July 23 aver-

aged 197 pounds, down 2 pounds from a week earlier and down 1 pound from a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 260.9 pounds, down 2.8 pounds from the week before, down 6.1 pounds compared to the same week last year, and the lightest of any week since September 6, 2008. The 6.1 pound drop from last year is the biggest year-over-year decline since the week ending on May 25, 1996. This is the tenth consecutive week Iowa-Minnesota weights have been below the year-earlier level.

Thursday's close for the August lean hog futures contract, \$105.55/cwt was the highest settlement price ever for any lean hog contract. Today, the August contract settled at \$104.92/cwt, down 63 cents from Thursday's record, but up \$2.15 from the previous Friday. The October lean hog contract settled Friday at \$91.85/cwt, down 55 cents for the week. December hogs settled at \$88.75 and February closed at \$91.25/cwt.

The September corn futures contract gained 27 cents this week to settle at \$6.93/bu. December corn futures close at \$7.03, up 34 cents from the previous Friday. March settled at \$7.16/bu. The August soybean meal contract ended the week at \$345.20/ton.  $\Delta$

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



Link Directly To: **RICETEC**