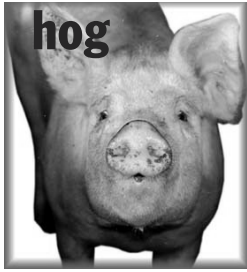


Pig Crop Small Fraction Higher Than 2010



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outlook

Canada's October 1 swine inventory survey said their swine herd was up 0.9 percent. The number of sows and bred gilts was up 0.2 percent. Their inventory of market hogs was up 1 percent.

The Canadian survey said there were 1.7 percent fewer sows farrowed in Canada in July-September than a year ago. They predicted October-December farrowings would be down 0.9 percent and January-March farrowing down 0.4 percent.

Like the U.S., Canadian hog producers are producing more pigs per litter. Although the number of litters farrowed in the third quarter was down 1.7 percent, the pig crop was a small fraction higher than last year.

USDA's November supply and demand estimates raised the forecast of 2012 barrow prices on a live weight basis by \$1 to \$63-68/cwt.

USDA is forecasting 2012 pork production will be up 1.7 percent but total red meat and poultry production is expected to be down 1.6 percent.

The pork cutout was lower again this week. USDA's Thursday afternoon calculated cutout

value was \$90.80/cwt, down \$2.73 from the previous Thursday. Loins, butts, hams and bellies were all lower.

Hog prices also dropped this week. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$81.99/cwt, down \$4.07 from last Friday. The Friday morning price report for the western corn belt was \$81.84/cwt and for Iowa-Minnesota was \$81.83/cwt. Eastern corn belt hogs averaged \$82.64 this morning. Friday's top live hog price at Peoria was \$57/cwt. Zumbrota's top was \$60/cwt. The top for interior Missouri live hogs was \$60.75/cwt, down \$1.50 from the previous Friday.

Hog slaughter totaled 2.293 million head this week, down 2.3 percent from the week before and down 0.9 percent compared to the same week last year.

Barrow and gilt carcass weights for the week ending October 29 averaged 204 pounds, up 1 pound from the week before and down 1 pound from a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 274.7 pounds, up 1.2 pounds from the week before, but down 1.2 pounds compared to last year.

Today's close for the December lean hog futures contract, \$86.45/cwt, was down 40 cents from last Friday. The February lean hog futures contract settled at \$87.75/cwt, down \$2.35 from the previous Friday. April lost \$2.10 this week to settle at \$91.05/cwt.

The seasonal trend is for lower hog prices until early December. Δ

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