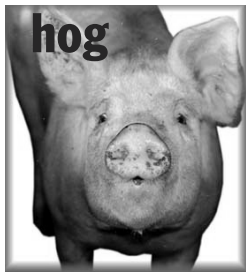


Pork Cutout Value Rises Over Last Year



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

As of May 23, USDA estimates 93 percent of U.S. corn acreage and 53 percent of soybean acres were planted. Corn plantings were up from 87 percent the week before and 80 percent at this time last year. The July contract closed the week at \$3.59, down 10 cents from the previous Friday. December lost 5 cents this week to end at \$3.80.

USDA's Thursday afternoon calculated pork cutout value was \$87.95/cwt, up 19 cents from the previous Thursday, and up \$28.29 compared to the same day last year.

There was 483 million pounds of beef in cold storage at the end of April. That is 6 percent less than a month earlier and 21 percent less than a year earlier. This is encouraging news but hardly surprising given the high pork prices this spring.

This week's hog slaughter totaled 1.924 million head, down 4 percent from the week before, but up 5.6% compared to the same week last year which was low because it started with Memorial Day. This was the third week this month with slaughter under 2 million head.

The average carcass weight of barrows and gilts slaughtered the week ending May 15 was 201 pounds, the same as the week before and the same as a year ago. Iowa-Minnesota live weights last week averaged 270.8 pounds, up

2.7 pounds compared to a year earlier. With hog prices softening and the futures market predicting higher prices for summer, there is a good chance (barring hot weather) that weights will be at or above year-ago as producers often slow marketings a bit when they expect higher prices.

The national weighted average carcass price for negotiated hogs Friday morning was \$75.25/cwt, \$6.25 lower than the previous Friday. Regional average prices on Friday morning were: eastern corn belt

\$75.21, western corn belt \$75.36, and Iowa-Minnesota \$75.42/cwt. The top live hog price Friday at Sioux Falls was \$56/cwt, down \$2.50 from the previous Friday. Peoria topped at \$52.50 on Friday and Zumbrota, MN had a top price of \$54. The interior Missouri live top Friday was \$55.75/cwt, \$3 lower than the previous Friday.

The lower hog prices the last two weeks may reflect a slowdown in retail movement. Hog prices quickly moved higher in April and May. Those prices are now showing up in the meat case. Hopefully, the upcoming three day weekend will bring lots of grilling and a need for stores to restock next week.

The June lean hog futures contract ended the week at \$81.85/cwt, up 31 cents from the previous Friday. The July contract settled at \$82.60, up 33 cents for the week. August closed the week 48 cents higher at \$82.80/cwt and October ended the week at \$74.25/cwt.

The U.S. and the European Union are the two largest exporters of pork. At the start of 2010 it took \$1.44 to buy one Euro. Today it only takes \$1.24. That 14 percent increase in the strength of the dollar will make U.S. pork less competitive on the world market. Δ

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



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