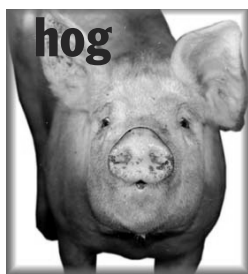


Pork Exports Rise, Mostly Due To '09 Swine Flu Dip



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

Pork exports in June were up 22.9 percent compared to a year earlier. Our two biggest foreign customers, Japan and Mexico, purchased 43 percent and 30 percent more U.S. pork respectively than in June 2009. The big increase in exports was due more to a drop off in exports in the summer of 2009 when the swine flu scare was in the news than it does with exceptionally large exports in June of this year. In total, 19.9 percent of U.S. pork production during June was exported. Pork exports were also low during July and August 2009, so upcoming 2010 pork export data is likely to be well above year-ago when it is released.

Pork imports were up 13.1 percent in June. Canada and Denmark shipped more pork to us and Poland less than in June 2009. June pork imports equaled 4.1 percent of U.S. production.

For the first six months of the year, pork imports were up 0.5 percent and pork exports were up 7.9 percent.

The number of hogs imported from Canada during June, 467,504 head, was down 12.5 percent from a year earlier. Feeder pig imports were down 10.7 percent while imports of slaughter hogs were down 19.9 percent. This was the 27th consecutive month that swine imports were below year-earlier.

USDA's Thursday afternoon calculated pork

cutout value was \$89.78/cwt, down 85 cents from the previous Thursday. Hams and bellies were lower, but loins and butts were higher. Bellies averaged \$1.4024 per pound, higher than any date prior to August 3, 2010.

The national weighted average carcass price for negotiated hogs Friday morning was \$77.22/cwt, \$3.17 lower than the previous Friday. Regional average prices on Friday morning were: eastern corn belt \$75.49, western corn belt \$77.22, and Iowa-Minnesota \$78.61/cwt. The top live hog price Friday was \$56/cwt at Sioux Falls, \$54 at Peoria, and \$53 at Zumbrota. The interior Missouri live top Friday was \$55/cwt, \$3 lower than the previous Friday.

This week's hog slaughter totaled 2.056 million head, up 4.6 percent from the week before but down 8.2 percent compared to slaughter during the same week last year. Year-to-date, pork production is down 4.2 percent.

Summer heat is pulling down slaughter weights. The average carcass weight of barrows and gilts slaughtered the week ending July 31 was 197 pounds, down 1 pound from the week before and the same weight as a year ago. Iowa-Minnesota live weight last week averaged 266.8 pounds, down 1.0 pounds compared to a year earlier. This was the first week that Iowa-Minnesota weights averaged below year-ago since January.

USDA's August crop report estimated the national average corn yield at 165 bushels per acre and the crop at a record 13.365 billion bushels. USDA raised their forecast of corn exports by 100 million bushels and raised their price forecast for the marketing year to \$3.50-4.10/bushel. Δ

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