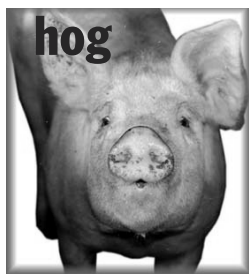


Pork Exports To China Up 210 Percent



GLENN GRIMES AND RON PLAIN
Agricultural Economists •
University of Missouri

outlook

The World Trade Organization has determined that the U.S. Country of Origin Labeling rules (COOL) are "inconsistent with the United States' WTO obligations" in part because they afford less favorable treatment to imported Canadian cattle and hogs. I assume this means the COOL regulations will change, eventually.

During September, U.S. pork exports were up 37 percent compared to a year earlier with the major foreign buyers each purchasing more pork than in September 2010. Shipments to the top four destinations, Japan, Mexico, Canada, and South Korea, were up 32 percent, 13 percent, 36 percent and 99 percent, respectively. Pork exports to China were up 210 percent making them the second largest foreign buyer in September. September pork exports equaled 22.6 percent of U.S. pork production during the month.

Pork imports during September were down 20 percent from a year earlier. The top two foreign suppliers, Canada and Denmark, respectively shipped 21 percent and 12 percent less pork to the U.S. than in September 2010. September pork imports were equal to 3.2 percent of U.S. pork production.

During the first three quarters of 2011 pork exports are up 21 percent and pork imports are down 8 percent compared to January-September 2010. Through September, pork exports have exceeded pork imports by more than 3 bil-

lion pounds.

Iowa State University calculations estimate that Iowa hogs were sold at an average profit of \$5.25 per head during October. Shane Ellis, who does these calculations, estimates the October breakeven price for barrows and gilts was \$67.09/cwt of live weight.

USDA's Thursday afternoon calculated pork cutout value was \$88.43/cwt, down \$2.37 from the previous Thursday. Loins, hams and bellies were lower. Butts prices were higher.

This week hog prices declined for the fourth consecutive week. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$79.54/cwt, down \$2.45 from last Friday. The Friday morning average price for both the western corn belt and Iowa-Minnesota was \$81.09/cwt. There were not enough early morning sales in the Eastern Corn Belt for a price quote. Friday's top live hog price at Peoria was \$56/cwt. Zumbrota's top was \$58/cwt. The top for interior Missouri live hogs was \$58.50/cwt, down \$2.25 from the previous Friday.

Hog slaughter totaled 2.36 million head this week, up 2.9 percent from the week before and up 1.5 percent compared to the same week last year. Barrow and gilt carcass weights for the week ending November 5 averaged 205 pounds, up 1 pound from the week before and the same as a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 274.5 pounds, down 0.2 pound from the week before and down 0.9 pound compared to last year.

Today's close for the December lean hog futures contract, \$87.47/cwt, was up \$1.02 from last Friday. The February lean hog futures contract settled at \$90.97/cwt, up \$3.22 from the previous Friday. April gained \$2.50 this week to settle at \$93.55/cwt. Δ

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

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