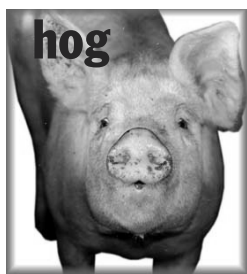


Pork Exports To Japan Dip In 2010



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outlook

US. pork exports during March were up 0.2 percent and pork imports were down 3.4 percent compared to a year earlier. During the first quarter of 2010, pork exports were up 1.3 percent and imports were down 3.1 percent. We started the year expecting 2010 pork exports to total 10 percent more than in 2009. But, the rapid run-up in U.S. pork prices and the stronger than expected dollar makes us think this year's pork export tonnage will be only very slightly above last year's level.

Pork shipments to Japan, our biggest foreign customer, were down 11.9 percent during the first quarter. Fortunately, exports to Mexico and Canada, our second and third biggest buyers, were up 24.6 percent and 8.7 percent, respectively. During the first three months of the year, the biggest drop in U.S. pork shipments was a 54.7 million pound decline in exports to Russia. First quarter exports equaled 18.7 percent of U.S. pork production and imports equaled 3.5 percent of production.

The ratio of live price to carcass price has favored live pricing this spring. For the first four months of this year, the average negotiated price reported under USDA's mandatory price reporting system for hogs purchased on a live weight basis (\$55.32/cwt) was 79.5 percent of the average reported base price for hogs purchased on a carcass weight basis (\$69.54/cwt). The average dressing percent (carcass weight divided by live weight) during this period was 75.9

percent. For 2004-09, the negotiated live price averaged 76.8 percent of the negotiated base carcass price. Why is the live-carcass price ratio so much higher this year? Good question.

This week's hog slaughter totaled 1.948 million head, down 2.2 percent from the week before, and down 6.0 percent compared to the same week last year. This is the second week in a row with slaughter under 2 million head and the lowest non-holiday week hog slaughter since June

2007.

USDA's Thursday afternoon calculated pork cutout value was \$90.81/cwt, up 71 cents from the previous Thursday, and up \$28.96 compared to the same day last year.

The national weighted average carcass price for negotiated hogs Friday morning was \$83.40/cwt, \$2.07 lower than the previous Friday. Regional average prices on Friday morning were: eastern corn belt \$83.30, western corn belt and Iowa-Minnesota both \$84.31/cwt. The top live hog price Friday at Sioux Falls was \$61/cwt, the same as the previous Friday. Peoria topped at \$56 on Friday and Zumbrota, MN had a top price of \$57. The interior Missouri live top Friday was \$60.25/cwt, \$1.50 lower than the previous Friday.

The average carcass weight of barrows and gilts slaughtered the week ending May 1 was 202 pounds, 1 pound heavier than a year ago. Iowa-Minnesota live weights last week averaged 270.1 pounds, up 0.7 pounds compared to a year earlier.

The May lean hog futures contract expired today at \$88.20/cwt, down 30 cents from the previous Friday. The June contract settled at \$83.55, down \$1.97 for the week. July closed the week \$2.20 lower at \$83.82/cwt and August ended the week at \$83.50/cwt. Δ

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