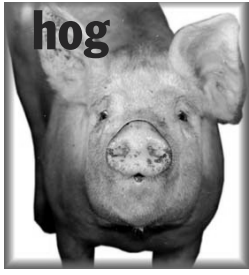


Pork Garners Second Highest Prices During March



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outlook

The average price of pork at retail during March was \$3.357 per pound. That was 7.4 cents higher than in February, 44.3 cents higher than in March 2010, and the second highest month ever behind October 2010. January, February and March are typically the three months with the lowest retail pork prices. History favors September as the month with the highest retail pork prices.

Pork in cold storage on March 31 was up 0.5 percent from the month before and 12.5 percent higher than a year earlier. High pork stocks used to be thought of as negative for hog prices, but they are increasingly becoming an indicator of large pork exports.

The national average negotiated price for direct delivered hogs on the morning report today is \$94.14/cwt, a new record. Today is Good Friday, so hog movement is lighter than normal and price information is limited. There are no morning price reports for the regional markets or for the terminal markets today. Thursday's top hog price at Peoria was \$64.50/cwt. Yesterday, Zumbrota had a top of \$64 and Sioux Falls topped at \$63/cwt.

USDA's Thursday afternoon calculated pork cutout value was \$95.06/cwt, down 94 cents from the previous Thursday with loins, butts, and hams higher. Prices for bellies were lower this week. This morning's national average hog carcass price was 99 percent of the pork cutout

value. That will put downward pressure on hog prices if the cutout doesn't improve. However, hog prices normally increase fast at this time of year. Over the last 8 years, May hog carcass prices have averaged \$8.89/cwt above April's average price.

The live hog price continues to be high relative to the carcass price. On Thursday, the average negotiated barrow and gilt base purchase price on a live weight basis was \$73.87/cwt which was 79.6 percent of the day's average base carcass price of \$91.16/cwt.

Hog slaughter totaled 2.056 million head this week, up 1.4 percent from the week before, but down 0.3 percent compared to the same week last year. Hog slaughter is running quite close to the level indicated by USDA's March hogs and pigs report.

The average carcass weight of barrows and gilts slaughtered the week ending April 9 was 205 pounds, down 1 pound from the previous week and 3 pounds heavier than a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 272.2 pounds, down 0.9 pound from the week before and up 2.9 pounds compared to a year earlier. This was the 31th consecutive week with hog weights above year-earlier.

The futures markets ended the week a day early since today is Good Friday. The May lean hog futures contract ended the week on Thursday at \$102.05/cwt, down 37 cents from the previous Friday. The June contract settled Thursday at \$100.05/cwt. July hogs settled at \$100.325 and August hogs ended at \$100.25/cwt.

The May corn futures contract lost 5 cents this week to end at \$7.3725/bushel on Thursday. September corn ended the week at \$7.445 and September closed at \$7.0425/bushel. Δ

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