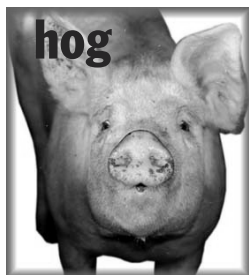


Pork Will Eventually Show Substantial Gains In Price



GLENN GRIMES AND RON PLAIN
Agricultural Economists •

outlook

Retail food prices were up in April the most in 18 years. However, pork prices contributed to little of the increase. Pork prices in April were up only 1.6 percent from a year earlier. The sharply higher prices are still in the future for pork, but they will eventually show substantial gains in price.

The average price of retail pork for January-April was up 1.2 percent from 12 months earlier. The entire market system benefited from the higher retail prices. The total pork marketing margin was up 7.4 percent, the processor-retailer margin was also up 7.4 percent and the packers' margin was up 7.5 percent. All changes are from a year earlier.

The average live hog price for January-April at \$40.99 per cwt was down only 12.1 percent with pork production up between 13 and 14 percent. The live prices were higher than expected. Regardless of the reason, the demand for pork has been up substantially from a year earlier, and most of the credit probably goes to larger exports.

The average weight of live barrows and gilts for the week ending May 17 at 262.8 pounds per head was down 1.2 pounds from a week earlier and down 2.7 pounds from a year earlier. The average carcass weight for barrows and gilts under Federal Inspection for the week ending April 26 finally dropped one pound below a year earlier and dropped to two pounds below a year earlier on the week ending May 3.

Trade reports are that more piggy sows are in

the slaughter but how much above normal

are not known. Sow slaughter for the week ending May 3 was up about one percent from a year earlier following four weeks with sow slaughter up over 15 percent. Sow slaughter for the week ending May 10 was ten percent above a year earlier.

The odds appear high that hog producers have at least reduced the rate of decline in the breeding herd. With hog prices at a level to produce profit for the average-cost producers along with the futures market for the next year, there are signals that reductions are not necessary. We doubt this is the situation we really have.

Pork product prices for Thursday afternoon at \$80.73 per cwt were down \$1.52 per cwt from a week earlier. Loins at \$106.36 per cwt were down \$6.45 per cwt, Boston butts at \$90.92 per cwt were down \$0.67 per cwt, hams at \$63.61 per cwt were up \$2.13 per cwt and bellies at \$91.88 per cwt were down \$0.05 per cwt from seven days earlier.

Live hog prices on Friday morning were \$1.50 to \$3.00 per cwt lower compared to a week earlier. Weighted average carcass prices for negotiated hogs Friday morning were \$2.27 per cwt higher to \$5.25 per cwt lower compared to seven days earlier.

The top live prices for Friday morning for select markets were: Peoria \$50 per cwt, Zumbrota \$54 per cwt and interior Missouri \$56 per cwt. The weighted average carcass prices for negotiated hogs Friday by area were: western Cornbelt \$78.94 per cwt, eastern Cornbelt \$74.34 per cwt, Iowa-Minnesota \$79.07 per cwt and nation \$76.90 per cwt.

Cash feeder pig prices at United Tel-O-Auction this week were basically steady to \$10 per cwt higher than two weeks earlier. The prices for 50-60-pound pigs were \$68.50-85.00 per cwt.

Slaughter this week under Federal Inspection was estimated at 2,094 thousand head, up 5.3 percent from a year earlier. Δ