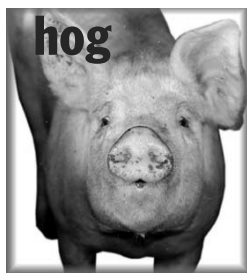


# Retail January Pork Prices Fourth Highest Ever



**GLENN GRIMES AND RON PLAIN**

Agricultural Economists •  
University of Missouri

## outlook

**E**vents in Libya gave the futures markets the jitters this week, but we ended on a positive note Friday. I worry that a weak economy will keep cash hog from catching up with the record high prices the futures market is predicting. The unemployment rate is at 9 percent and gasoline prices are above \$3/gallon. The government now says the economy only grew by 2.8 percent during the fourth quarter of 2010 rather than the 3.2 percent pace they had reported earlier.

Retail pork prices in January were the fourth highest month ever. The average grocery store price of pork last month was \$3.241 per pound, up 5.3 cents from November and 36.3 cents higher than 12 months earlier. January pork production was up 4.8 percent compared to a year earlier.

The farm-to-retail price spread in January was the smallest since August. A narrowing spread gives hog producers a greater share of the consumer dollar, but leaves middlemen less room to bid hog prices higher. The 51-52 percent lean live barrow and gilt price averaged \$55.56/cwt in January, up \$4.64 from December and \$5.75 higher than January 2010.

Stocks of beef, pork and chicken in cold storage were all higher at the end of January than a year earlier. Frozen pork supplies were up 14

percent from the month before and up 10 percent compared to a year earlier. Large stocks of frozen pork used to be a market negative, but large amounts of pork in cold storage is increasingly an indication that exporters are accumulating pork for export.

Hog prices ended this week higher compared to the week before. The national weighted average carcass price for negotiated hogs Friday morning was \$80.43/cwt, up \$1.19 from the previous week. The western corn belt and Iowa-Minnesota both

averaged \$83.41/cwt this morning. There was no price report this morning for the eastern corn belt. The top live hog price Friday at Zumbrota was \$56 and Peoria's top was \$56/cwt. The interior Missouri live top Friday was \$58/cwt, up from \$57.25 the previous Friday.

USDA's Thursday afternoon calculated pork cutout value was \$91.67/cwt, up \$1.92 from the previous Thursday. Loins, butts and bellies were higher this week. Hams were lower.

The average carcass weight of barrows and gilts slaughtered the week ending February 12 was 206 pounds, unchanged from the previous week and 6 pounds heavier than a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 273.1 pounds, up 0.2 pounds from the week before and up 4.7 pounds compared to a year earlier.

Hog slaughter totaled 2.108 million head this week, up 0.9 percent from the week before but down 2.4 percent compared to the same week last year.

The April lean hog futures contract ended the week at \$90.20/cwt, down from \$2.07 the previous Friday. The May contract ended the week at \$99.05/cwt and June hogs settled at \$101.45. Δ

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

Link Directly To: **SYNGENTA**

Link Directly To: **TANNER SEED CO.**

Link Directly To: **VERMEER**