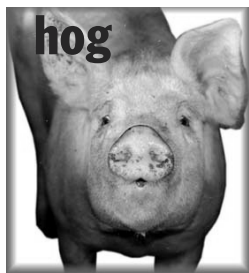


Russia Agrees To Open U.S. Pork Market



GLENN GRIMES AND RON PLAIN

Agricultural Economists •
University of Missouri

outlook

The higher hog and pork prices in early 2010 had caused us to speculate that U.S. pork exports were increasing. But, pork exports in January were actually 13.5 percent lower than in December and 2.5 percent lower than in January 2009. Compared to the previous month, January 2010 pork exports were down 49 million pounds and they were off 8 million pounds from 12 months earlier. We shipped less pork to Japan, South Korea, Russia and China than in January 2009; but increased our sales to Mexico, Taiwan, Philippines, Hong Kong and Australia. There was encouraging trade news this week; an agreement has been reached with Russia to reopen that market to U.S. pork. Our pork exports to Russia during January were down 98.8 percent compared to January 2009.

U.S. pork imports during January were down 16.6 percent (13 million pounds) compared to December and down 11.2 percent (8 million pounds) compared to January 2009. Compared to 12 months earlier, we imported 6.5 percent less pork from Canada and 45.5 percent less from Denmark.

In total, 17.4 percent of U.S. pork production was exported during January and pork imports equaled 3.5 percent of U.S. production.

Hog prices moved higher during the first part of this week then declined to end the week at levels close to the previous Friday. The national weighted average carcass price for negotiated

hogs Friday morning was \$70.10/cwt, 80 cents lower than the previous Friday. Regional average prices on Friday morning were: eastern corn belt \$70.26, western corn belt \$69.47, and Iowa-Minnesota \$69.47/cwt. The top hog price Friday at Sioux Falls was \$50/cwt, down \$2 from the previous Friday. Zumbrota, MN had a top price of \$51 on Friday and Peoria topped at \$48/cwt. The interior Missouri live top Friday was \$50.50/cwt, \$1.50 higher than the previous Friday.

USDA's Thursday afternoon calculated cutout value was \$74.11/cwt, down \$1.80 from the previous Thursday but up \$15.41 compared to the same day last year. Loins, hams and boston butts were lower but bellies ended the week steady.

This week's hog slaughter totaled 2.132 million head, down 1.4 percent from the week before and down 0.9 percent compared to the same week last year. Hog slaughter has been below year-earlier for each of the last 10 weeks. We started 2010 killing fewer hogs than expected based on the December pig inventory, but the last 3 weeks hog slaughter has been a bit higher than expected.

The average carcass weight of barrows and gilts slaughtered the week ending February 27 was 200 pounds, down 1 pound from the week before and down 1 pound from the same week last year. Iowa-Minnesota live weights last week averaged 269.3 pounds, up 0.8 pounds compared to a year earlier.

The April lean hog futures contract ended the week at \$72.64/cwt, down 45 cents from last Friday. The May contract settled at \$77.95, down \$1.07 for the week. June closed the week at \$80.80/cwt and July ended at \$80.75/cwt.

March corn futures lost 10.75 cents this week and settled at \$3.54 per bushel on Friday. Δ

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