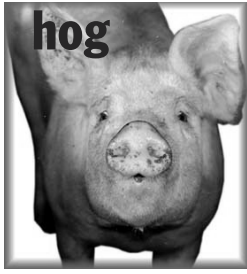


USDA Forecasts Pork Exports Will Rise In 2010



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outlook

During the first two months of 2010, U.S. pork exports were up 1.9 percent. Our number 1 foreign customer, Japan, purchased less U.S. pork; but Mexico and Canada, numbers 2 and 3, each imported more pork from the U.S. Pork shipments to Hong Kong were up, but shipments to Mainland China continue to be very low. USDA is forecasting 2010 pork exports will be up 5.7 percent from last year.

Pork imports during January and February were down 2.9 percent compared to the first two months of 2009. Imports from Canada were up 0.4 percent but imports from Denmark were down 30.4 percent. During the first two months of 2010, pork exports equaled 19.0 percent of production and imports equaled 3.6 percent of U.S. production.

Frozen stocks of pork at the end of March were down 1.1 percent from the month before and down 14.1 percent from a year earlier. Pork in cold storage on March 31 was the lowest for that date in 3 years.

This spring's surprisingly strong hog prices are made possible by the fast rising value of wholesale pork prices. USDA's Thursday afternoon calculated pork cutout value was \$90.68/cwt, up \$5.43 from the previous Thursday, up \$18.40 from 4 weeks ago, and up \$16.19 compared to the same day last year. Loins, hams and pork bellies were all higher this week. The current pork cutout is the highest since August 2008 and gives producers good

reason to expect higher hog prices next week.

The national weighted average carcass price for negotiated hogs Friday morning was \$79.83/cwt, 13 cents lower than the previous Friday. Regional average prices on Friday morning were: eastern corn belt \$79.87, western corn belt \$79.79, and Iowa-Minnesota \$79.91/cwt. The top live hog price Friday at Sioux Falls was \$59.50/cwt, up \$4.50 from the previous Friday. Peoria topped at \$54 on Friday and Zumbrota, MN had a top price of \$57. The interior Missouri live top Friday was \$57.25/cwt, \$4.50 higher than the previous Friday.

This week's hog slaughter totaled 2.073 million head, up 2.0 percent from the week before, but down 3.0 percent compared to the same week last year. March hog slaughter came in above the level implied by USDA's quarterly inventory survey while April slaughter is lower than expected. Combined slaughter is about 0.6 percent lower than expected.

The average carcass weight of barrows and gilts slaughtered the week ending April 10 was 202 pounds, 1 pound heavier than a year ago. This was the first week this series has been above year-ago since the last week of November. Iowa-Minnesota live weights last week averaged 269.3 pounds, down 0.9 pounds from the week before but up 0.3 pounds compared to a year earlier.

The May lean hog futures contract ended the week at \$87.40/cwt, up 98 cents from the previous Friday. The June contract settled at \$85.17, down 98 cents for the week. July closed the week 25 cents lower at \$85.95/cwt and August ended the week at \$86.07/cwt. The futures imply an early peak to prices hog this summer.

May corn futures lost 11 cents this week and settled at \$3.53 on Friday. The July contract ended the week at \$3.61. Δ

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