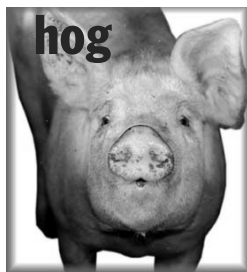


# USDA Lowers Pork Production Forecasts



**GLENN GRIMES AND RON PLAIN**

Agricultural Economists •  
University of Missouri

## outlook

**U**SDA's November crop report increased the 2012 corn production estimate by 19 million bushels (0.2 percent) and soybean production by 111 million bushels (3.9 percent). USDA lowered their prediction of seasonal average corn price by 20 cents to a midpoint of \$7.60 per bushel and cut the midpoint of their soybean price forecast range by 35 cents to \$14.90 per bushel. They are now predicting soybean meal will average between \$455 and \$485 per ton.

For the first time ever, Brazil is expected to harvest more soybeans next spring (81 million metric tons) than we harvested this fall (80.86 million metric tons). Our fall soybean harvest was down 4 percent and Brazil's next soybean harvest is expected to be up 21.8 percent from a year earlier.

USDA has lowered their forecast of 2012 pork production by 39 million pounds and cut their prediction of 2013 pork production by 60 million pounds. Total red meat and poultry production in 2012 is predicted to be down 0.3 percent with 2013 production down another 2.2 percent. At 197.3 pounds of retail weight, per capita red meat and poultry consumption in 2013 is expected to be the lowest since 1984.

Hog prices ended the week steady to \$2 lower. The national average negotiated carcass price for direct delivered hogs on the morning report

today was \$78.73/cwt, down 9 cents from last Friday. The eastern corn belt averaged \$79.10/cwt on the morning report. Both the western corn belt and Iowa-Minnesota averaged \$74.61/cwt this morning. Peoria had a top live price this morning of \$52/cwt. Zumbrota, MN topped at \$55/cwt. Both markets were \$2 lower than the previous Friday. The price top for interior Missouri live hogs was \$57/cwt, down 75 cents from the previous Friday. This morning's hog price is 90.5 percent of pork cutout value.

Hog slaughter this week totaled 2.367 million head, up 0.3 percent from the week before and up 2.6 percent compared to the same week last year. Monday's slaughter will be a bit light. A few plants will be closed for Veterans' Day. Year-to-date hog slaughter is up 2.0 percent and pork production is up 2.2 percent.

On Thursday afternoon the calculated pork cutout value was \$86.96/cwt, up \$1.30 from the previous Thursday, but down \$3.84 from a year ago. This week loins and bellies prices were lower. Hams and butts were higher.

Hog futures were higher this week. Friday's close for the December lean hog futures contract was \$80.75/cwt, up \$3.00 from the previous Friday. February hog futures ended the week \$2.42 higher at \$86.32/cwt. April hogs settled at \$91.00/cwt, June at \$100.02/cwt.

The average barrow and gilt live weight in Iowa-Minnesota last week was 272.1 pounds, down 0.7 pounds from a week earlier and down 2.6 pounds from a year ago. This was the sixth consecutive week with weights lighter than a year ago. Lighter-than-year-ago slaughter weights likely indicate producers are very current in their marketings. Δ

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



Link Directly To: **PIONEER**



Link Directly To: **VERMEER**