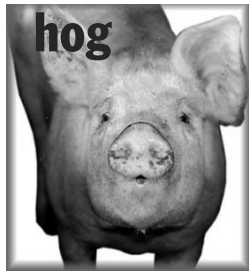


USDA's 2012 Pork Production Unchanged In March



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outlook

USDA says that 69,100 farms raised hogs last year, the same number as in 2010. Of these farms, 60,940 owned the hogs they were raising, leaving 8,160 contract operations that were raising someone else's hogs. There were 3,300 hog farms that had more than 5,000 head in inventory and they raised 62.1 percent of the nation's hogs.

USDA's Foreign Agriculture Service has proposed adding pork and distillers' grains to the list of commodities that must report weekly export sales activity to the government. If implemented, this means we will have information on pork exports available from FAS about a month sooner than the Census Bureau trade data. Last year, the U.S. exported roughly 2 million tons of pork and 8 million tons of DDGS.

USDA's March production forecasts made no change in predicted 2012 pork production, but lowered beef production by 80 million pounds. USDA raised their broiler production estimate by 200 million pounds and raised their turkey forecast by 60 million pounds.

Hog prices ended this week mostly higher than the previous Friday. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$84.61/cwt, up \$2.66 from last Friday. The

western corn belt averaged \$83.49 this morning and the eastern corn belt had a morning average of \$84.85/cwt. There was no morning price report from Iowa-Minnesota due to light volume. Friday's top live hog price at Peoria was \$60.50/cwt. Zumbota had a top at \$60/cwt. The top for interior Missouri live hogs was also \$60.75/cwt, down 75 from the previous Friday.

USDA's Thursday afternoon calculated pork cutout value was \$83.99/cwt, down 87 cents from the previous Thursday. Loins, butts and hams were lower, and bellies steady. For the first time in four weeks, the western corn belt average hog carcass price is above the pork cutout value.

Hog slaughter totaled 2.132 million head this week, down 0.8 percent from the week before and down 0.7 percent compared to the same week last year. Barrow and gilt carcass weights for the week ending February 25 averaged 206 pounds, unchanged from both the week before and from a year ago. Iowa-Minnesota live weights for barrows and gilts last week averaged 276.1 pounds, up 0.2 pound from the previous week, up 3.5 pounds compared to a year earlier, and above year-ago for the 15th consecutive week.

Futures contracts for both hogs and cattle ended the week lower. Today's close for the April lean hog futures contract, \$87.82/cwt, was down \$2.60 from the previous Friday. The May lean hog futures contract settled at \$95.70/cwt, down \$2.85 for the week. June hogs settled at \$95.32/cwt. July hogs ended the week at \$95.40/cwt and August closed at \$96.47/cwt. Δ

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