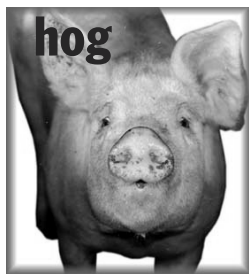


# USDA: Expect Pork Prices To Rise



**GLENN GRIMES AND RON PLAIN**

Agricultural Economists •  
University of Missouri

## outlook

**U**SDA's February WASDE report is predicting that 2013 pork production will be up 0.7 percent from last year. Last month they predicted 0.2 percent more pork in 2013. The latest forecast for all red meat and poultry production is for a decline of 0.4 percent this year rather than a drop of 1.3 percent as estimated in January or a decline of 2.6 percent in their December forecast. USDA is now predicting that U.S. 2013 beef production will be down 3.2 percent, broiler production up 0.7 percent, and turkey production up 1.0 percent compared to last year. USDA left unchanged their forecast of 2013 cattle, hog, and turkey prices, but raised their broiler price forecast by 2 cents per pound. They expect 2013 hog prices to average higher than last year, but lower than the 2011 record.

USDA is forecasting a 0.6 percent decline in pork exports from last year's record. They are predicting a 0.7 percent decline in pork imports compared to last year.

USDA increase their estimate of foreign corn production by 0.4 percent with 0.8 million metric tons more in Mexico, 1.5 mmt more in Brazil, and 1 mmt less in Argentina. USDA lowered their forecast of Argentine soybean production and raised their Brazilian estimate leaving total world soybean production unchanged.

USDA is forecasting corn to average close to \$7.20 for the 2012-13 marketing year.

This was a tough week for packers – hog prices went up and pork prices went down. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$85.46/cwt, up \$1.87 cents from last Friday. The eastern corn belt this morning averaged \$85.63/cwt. The western corn belt averaged \$84.37/cwt and Iowa-Minnesota averaged \$84.77 on the morning price report. As happens occasionally, eastern hog prices are above the west.

Peoria had a live top of \$57/cwt on Friday and Zumbrota, MN topped at \$58. The top for interior Missouri live hogs Friday was \$63.75/cwt, up \$4.50 from the previous Friday.

Thursday afternoon's calculated pork cutout value was \$81.69/cwt, down \$3.35 from the previous Thursday and down \$3.13 from this week last year. Loin prices are higher than a week earlier, but hams, bellies and butts are lower. The national average hog carcass price this morning is a whopping 104.6 percent of the cutout value. Look for lower hog prices to start next week.

Hog slaughter this week totaled 2.139 million head, down 1.7 percent from last week, but up 1.3 percent compared to the same week last year.

The average barrow and gilt live weight in Iowa-Minnesota last week was 274.0 pounds, down 1.1 pounds from a week earlier and down 1.4 pound from a year ago.

Friday's close for the February lean hog futures contract was \$86.45/cwt, down \$1.20 from the previous Friday. April hog futures ended the week \$2.63 lower at \$86.12/cwt. May hogs lost \$3.10 this week to settle at \$93.50/cwt today. June hog futures ended the week at \$94.50/cwt. Corn and soybean meal futures both ended this week lower than last. Δ

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

**AGROTAIN**

Link Directly To: **AGROTAIN**



Link Directly To: **VERMEER**