

# USDA: 2012 Pork Production Rises 2.4 Percent Over 2011



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## outlook

**U**. S. pork exports during August were down 3.1 percent while imports were up 1.1 percent compared to 12 months earlier. Exports equaled 21 percent of August pork production and imports equaled 3.45 percent of production. During the first eight months of 2012, 23.6 percent of U.S. pork production was exported while imports equaled 3.5 percent of production. The biggest growth market for U.S. pork exports this year is China. Thus far, they have purchased 203 million pounds more U.S. pork. Mexico, Russia, and Canada have each increased their purchases of U.S. pork by more 50 million pounds. Through August U.S. pork exports were up 9.0 percent and pork imports were up 1.8 percent.

Feeder pig imports from Canada during August were up 5.8 percent compared to a year ago. Imports of other hogs were down 10.2 percent. Through August, 3.844 million hogs and pigs were imported. That is 1 percent more than during the first eight months of last year. January-August U.S. hog exports totaled 33,185 head.

USDA's October WASDE report raised the estimate of corn acres harvested, but cut yield per acre leaving corn production little changed from the month before. However, a tight carryover caused the price to jump on Thursday; but most of the gain was given back on Friday. December corn futures ended the week at \$7.5075, up 3

cents from the week before. December soybean meal ended the week at \$465.20 per ton, \$6 lower than the previous Friday.

USDA's latest forecast has 2012 pork production up 2.4 percent from last year and 2013 pork production down 1.3 percent from this year.

Hog slaughter this week totaled 2.396 million head, up 1.7 percent from the week before and up 3.4 percent compared to the same week last year. The average barrow and gilt live weight in Iowa-Minnesota last week was 271.3 pounds, up 2.1 pounds from a week earlier, but down 1.4 pounds from a year ago. Three out of the last four weeks have been below year-ago.

Hog prices were higher again this week. The national average negotiated carcass price for direct delivered hogs on the morning report today was \$81.46/cwt, up \$5.06 from last Friday and up \$17.91 from four weeks ago. The eastern corn belt averaged \$80.63/cwt on the morning report today. The western corn belt averaged \$83.12 and Iowa-Minnesota had a morning average negotiated price of \$83.42/cwt. Peoria had a top live price this morning of \$54/cwt. Zumbrota, MN topped at \$57.50. The top for interior Missouri live hogs was \$58.50/cwt, up \$3.50 from the previous Friday.

The Thursday afternoon calculated pork cutout value was \$87.69/cwt, up \$2.74 from the previous Thursday, but \$9.99 lower than a year ago. Loins, butts, hams and bellies all were higher this week.

Hog futures were higher this week. Friday's close for the October lean hog futures contract was \$82.75/cwt, up \$1.43 from the previous Friday. December hog futures ended the week \$1.82 higher at \$78.37. February hogs settled at \$84.65/cwt. Δ

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