

Value Of Pork Products Increases Last Year



GLENN GRIMES AND RON PLAIN

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outlook

Pork exports value for January-November of 2008 was up 54 percent from 2007. The value per hog slaughtered for the first 11 months of 2007 amounted to \$25.09. One year later, this value increased to \$36.05 per hog slaughtered.

The value of pork and pork variety meats for January-November increased 59 percent from 2007 to 12 months later. In 2007, the value of pork and pork variety meat exports amounted to \$28.71 per hog slaughtered for the same months in 2008, the value of pork and pork variety meats increased to \$42.61 per head slaughtered.

The consumer price index for all items in December was at 210.228 up slightly from a year earlier reading of 210.036. These values are percent of 1982-84 which equals 100. December was the fifth consecutive month with a decline from a month earlier and in December was down 4.4 percent from July of 2008.

Declining consumer prices are a mixed bag but in total are not good for all consumers because it means a weak general economy with relatively high unemployment rates and declining income in total.

Retail prices for pork in December were up 0.1 percent from November and up 5.1 percent from December a year earlier. For all of 2008, retail pork prices were up 2.3 percent, due to reduced domestic pork supplies because of the large increase in pork exports.

All segments of the pork chain benefitted from these higher prices. The processor-retail margin

was up 2.4 percent, the packer margin was up 6.1 percent and live hog prices were up 1.6 percent for 2008 compared to 2007.

Barrow and gilt weights live for Iowa and Minnesota at 269.6 pounds for the week ending January 17 were only 0.7 pounds per head lighter than a year earlier but down one pound from a week earlier. The difference between this year and last for the week ending January 17 was the closest for quite some time. Average carcass weights for barrows and gilts under Federal Inspection were the same as year earlier for the most recent week available.

Packers pushed their margins deep into the red this week. On Wednesday, the western Cornbelt negotiated base carcass price was \$60.37 per cwt and cutout that afternoon was \$57.91 per cwt. It is not obvious as to why packers are pushing price as they are with current cutout values.

The cutout per cwt of carcass Thursday afternoon at \$58.13 per cwt was up \$1.87 per cwt from a week earlier. Loins at \$75.92 per cwt down \$0.56 from seven days earlier. Boston butts at \$61.50 up \$0.96 per cwt, hams at \$41.25 per cwt up \$1.14 per cwt and bellies at \$74.12 up \$9.36 from last week.

Live hog prices Friday morning were steady to \$0.75 per cwt higher compared to a week earlier. Weighted average carcass prices Friday morning were \$1.23 lower to \$3.81 per cwt higher compared to seven days earlier.

The top live prices Friday morning for select markets were: Peoria \$36.00 per cwt, Zumbrota, Minnesota, \$36.00 per cwt and interior Missouri \$41.75 per cwt. The weighted average negotiated carcass prices Friday morning were: western Cornbelt \$60.52 per cwt, eastern Cornbelt \$54.46 per cwt, Iowa-Minnesota \$60.57 per cwt and nation \$57.45 per cwt.

Slaughter this week under Federal Inspection was estimated at 2236 thousand head down 2.7 percent from a year earlier. △



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