

Hog Outlook: PEDv Confirmed in More Farms

02 September 2013

US - Calculations by Shane Ellis at Iowa State University put the average profit for market hogs sold during July at \$13.08 per head. July was the second profitable month after 10 consecutive months of red ink, write Ron Plain and Scott Brown.

The calculated average cost of production for hogs sold in July was \$71.83 per hundred pounds of live weight. Cost of production has declined each month since January's record of \$74.13/cwt.

Testing data from the National Animal Health Laboratory Network says that as of 18 August, the Porcine Epidemic Diarrhea virus (PEDv) has been confirmed on 527 farms in 17 states. This is an increase of 30 farms from the week before.

Hot, dry weather in late August has caused crop growing conditions to deteriorate, but conditions are still far better than last year. As of 25 August, 59 per cent of corn acres were rated in good or excellent condition. That is down two points from the week before, but up 37 percentage points from a year ago.

The US Department of Commerce revised upward their estimate of second quarter GDP growth from 1.7 per cent to 2.5 per cent. Faster economic growth is encouraging news for meat demand.

The national average negotiated carcass price for direct delivered hogs on the morning report today was \$86.55/cwt, down \$4.91 from last Friday. Both the western corn belt and Iowa-Minnesota had a morning price average of \$89.89/cwt. The eastern corn belt did not have enough early morning sales for a price quote. Peoria had a top live price this morning of \$59/cwt. Zumbrota, MN topped out at \$60/cwt. The top price for interior Missouri live hogs Friday was \$66/cwt, down \$1.50 from the previous Friday.

Friday morning's pork cutout value based on mandatory price reporting was \$95.30/cwt FOB plants, down \$3.29 from the week before, but up \$13.70 from a year ago. Loin prices were down \$6.20 and belly prices were down \$5.63/cwt this week. The average hog carcass price is 90.8 per cent of the calculated pork cutout value.

Hog slaughter this week totaled 2.21 million head, up 0.1 per cent from the week before, but down 3.0 per cent compared to the same week last year. The average barrow and gilt live weight in Iowa-Minnesota last week was 271.6 pounds, down 0.4 pounds from a week earlier, but up 3.0 pounds from a year ago. Slaughter weights have been above year-ago for 21 consecutive weeks.

The October lean hog futures contract settled at \$87.62/cwt today, up \$2.53 from the previous Friday. December hog futures ended the week at \$84.75/cwt, up \$2.50 from the week before. February hogs closed the week at \$86.50/cwt.

September corn futures ended the week at \$4.95/bushel, unchanged from the previous Friday. December corn settled at \$4.82/bu, up 12 cents for the week. September soybean meal closed out the week at \$468.20/ton up \$35.00 for the week. December meal ended the week at \$423.70/ton, up \$4.20 from the previous Friday.

ThePigSite News Desk