

Hog Outlook: Breeding Herd Expected to Rise in March Hogs & Pigs Report

25 March 2013

US - The average retail price of pork in grocery stores during February was \$3.441 per pound. That is up 3.9 cents from January, but down 5.4 cents from February 2012. The monthly retail price record for pork is \$3.561/pound set in September 2011, write Ron Plain and Scott Brown.

The average live price for 51-52 per cent lean hogs in February was \$61.59/cwt. That was up 37 cents from January, but down \$2.35 from February 2012.

USDA will release their March *Hogs and Pigs* survey results next Thursday afternoon. I'm expecting them to say the breeding herd is up 1.2 per cent and the market hog inventory is up 0.8 per cent compared to March of 2012. I expect farrowing intentions for spring to be less than last year, but summer 2013 farrowing intentions to be up compared to last summer. USDA's March acreage planting intentions report will also be released on March 28.

It appears that Congress is about to pass a spending bill for the rest of this fiscal year which will avoid the need to furlough meat inspectors.

The national average negotiated carcass price for direct delivered hogs on the morning report today was \$68.42/cwt, down \$4.43 from last Friday and under \$70/cwt for the first time since September. The eastern corn belt average price on the morning report today was \$68.53/cwt. Neither the western corn belt nor Iowa-Minnesota had enough hog sales for a morning price quote.

Peoria had a live top of \$49/cwt on Friday. Zumbrota, MN topped at \$50/cwt. The top for interior Missouri live hogs today was \$52.75/cwt, down 75 cents from the previous Friday.

After three weeks of decline, Thursday afternoon's calculated pork cutout value was \$77.85/cwt, up 31 cents from the previous Thursday, but down \$1.97 compared to this week last year. Loin and butt prices were higher, but hams lower this week.

The national average hog carcass price this morning was 87.9 per cent of the cutout value. That should be low enough to boost hog prices next week, if the pork cutout value doesn't decline.

Hog slaughter this week totaled 2.176 million head, down 1.2 per cent from last week, but up 2.1 per cent compared to the same week last year.

The average barrow and gilt live weight in Iowa-Minnesota last week was 270.0 pounds, up 0.1 pound from a week earlier, but down 0.3 pound from the same week last year.

Year-to-date hog slaughter is down 1.1 per cent and pork production is down 1.7 per cent.

Friday's close for the April lean hog futures contract was \$78.05/cwt, down \$1.62 from the previous Friday. May hog futures ended the week \$1.00 lower at \$88.20/cwt. June hogs gained 40 cents this week to settle at \$89.72/cwt today. July hog futures ended the week at \$89.80/cwt.

Corn futures ended the week a bit higher than the previous Friday.

ThePigSite News Desk