



# ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE  
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

July 2, 1975

## HOG SUPPLY DOWN 19 PERCENT

FARMERS HAVE 19 PERCENT FEWER HOGS FOR MARKET than one year ago. A survey of hog producers as of June 1, released by the USDA on June 23, shows a continued decline in hog numbers. This is good news for the people who will have hogs to sell, but not for consumers. It is especially bad news for packers and market people, who depend on a large volume of hogs for their business. Also, it is not very encouraging to people who will have corn to sell. Even with high exports, about a quarter of the corn crop is fed to hogs.

### SURVEY COVERS ENTIRE U.S.

This survey covered all of the United States, in contrast to the quarterly survey (on March 1) which included only the fourteen major hog-producing states. Farmers reported they had 19 percent fewer hogs with a total of 48.2 million head, 17 percent less breeding stock with 7.4 million, and 19 percent less market hogs at 40.8 million head than a year ago. Further, they planned to have 13 percent fewer sows farrowing in the June-to-November period than a year ago. They actually had 23 percent fewer sows farrowing from December through May--the spring big crop, and the smallest one since 1935.

The number of market hogs in the various weight categories indicates that slaughter in the late fall and winter will be at near-record lows, and will not show a normal seasonal increase. Hogs weighing 220 pounds and over as of the first of June numbered 1.1 million--down 37 percent from a year ago. The 180- to 219-pound group totaled 4.3 million--down 13 percent. The 120- to 179-pound group numbered 6.9 million--down 12 percent. The 60- to 119-pound group had 10 million--down 18 percent. Finally, the pigs in the group under 60 pounds totaled 18.5 million--22 percent less than a year ago.

Among the major hog-producing states, Illinois showed the smallest decrease. Illinois was down 8 percent overall--7 percent in breeding stock and 9 percent in market hogs. This indicates an upturn from the March report when the total number of hogs was down 13 percent from the previous year, with breeding stock 18 percent lower and market hogs off 12 percent.

Generally, hog producers in the fourteen major states had not changed their intentions from the March report. Some people expected that with the higher prices, farrowing intentions for June through August would be above those reported in March. This was not the case. Intentions in the June report were for a 17-percent reduction in farrowings, the same as in March.

#### CONSUMER PORK SUPPLIES

The June report confirms the expectation that pork supplies will be the lowest in almost forty years. On the basis of the number of market hogs alone, the supply for the rest of the year would be reduced about 20 percent. But hog producers will probably respond to the favorable prices and hold additional breeding stock. This will further reduce current pork supplies. To ration this limited supply of pork, retail prices will continue to increase.

Largely offsetting the reduced supply of pork, the beef supply will set a new record high. Cattle numbers have continued to build up; and beginning later this summer, beef production will be materially expanded.

#### PRICE PROSPECTS

As expected, hog prices will continue to be strong, at least until near the end of 1976. But with this short supply, hog prices will be erratic. Prices will stay above the \$40 level, likely well up in the forties. The big uncertainty will come from the large increase in beef supplies. Presently, fed cattle are in short supply. This will not continue. The other factor will be the extent of the buildup in hog numbers. It now appears that by 1977, we could reach low prices in the hog cycle with large supplies of both beef and pork.

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