



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

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HOG NUMBERS DOWN 17 PERCENT

ALL HOGS AND PIGS ON FARMS in the fourteen major states on September 1 numbered 41,535,000—down 17 percent from a year previous. Breeding stock was down an estimated 12 percent and market hogs, down 18 percent. This report issued by the USDA on September 19 is a result of a survey of a sample of producers in the fourteen major states which provide about 85 percent of the U.S. hog production. These reports serve a key role in providing guidance to the entire industry. While they do not provide an exact basis for projecting future supplies, they clearly indicate the direction and magnitude of change.

The September report indicates a trend toward increased hog production. In the June 1 survey, producers in these states indicated a decrease in farrowings from June to August of 17 percent, but the actual reduction was only fourteen percent. In June they planned to reduce September-to-November farrowings by 12 percent. On September 1, the intended reduction was only 7 percent. In the December-to-February quarter, plans are for 6 percent more sows to farrow than last year. However, farrowings in that period last year were 21 percent below the previous year.

The distribution of market hogs by weight groups would indicate about a 20-percent reduction in marketings from last year at least until February. Here are the hog numbers by weight groups with percentage changes from previous years: under 60 pounds, 14.4 million, down 13 percent; 60 to 119 pounds, 9 million, down 23 percent; 120 to 179 pounds, 7.2 million, down 20 percent; 180 to 219 pounds, 4.2 million, down 18 percent; 220 pounds and over, 798 thousand, down 25 percent. Holding back more breeding stock could reduce the supply of market hogs even further.

The USDA report indicates a turn around in the hog cycle and a modest start at rebuilding herds. A sharp buildup appears unlikely with present level of corn prices. Illinois has 1 percent more breeding stock on hand than a year ago, and is the only state in which this year's number is higher than the one a year ago.

For now, this report simply indicates a continuation of the present situation. Supplies will continue to be low and prices strong. From a supply standpoint, there is little reason to expect any price weakness until next spring. Yet at this level prices are vulnerable to consumer reaction and to competition from other meats. Beef supplies are high and will be higher. Much of this beef will be non-fed beef, and will sell at comparatively low prices. Also, broiler supplies will show some increase. On the other hand, not only are hog supplies low but also the stock of frozen pork bellies—less than half as large as on August 31 a year ago; and all pork in storage was down more than a quarter. Therefore, hog prices per hundred-weight are likely to be in the \$60's or upper \$50's at least until next spring. Even then, any price weakness will probably be slight.

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