



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

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HOGS IN TYPICAL CYCLICAL BUILD-UP OF NUMBERS

THE HOG INDUSTRY is now in the rapid buildup phase of the hog cycle. The USDA report, Hogs and Pigs of June 1, largely confirmed the expectations of the industry.

HOG INVENTORY. The total number of hogs was estimated at 52.6 million on June 1--a 9-percent increase from the previous year. However, production last year was at an extremely low level. The 52.6 million estimate is still 11 percent less than the 59.4 million figure of June 1, 1974. In keeping with the plans for expansion, breeding stock was up 11 percent while market hogs were up only 9 percent.

FARROWINGS AND PIG CROP. The number of sows farrowing for the spring pig crop (December through May) was estimated at 5.7 million--a 14 percent increase from last year. Litter size was also increased to the point that the total number of spring pigs was estimated at 41.4 million--an increase of 16 percent. In December, farmers indicated intentions of having only an 8-percent increase in farrowings. The fourteen-state report in March indicated that they had increased their intentions, but still not as high as the actual result. The major change was that second-quarter farrowings did not drop back, as expected earlier. Farrowings for December through February were up 14 percent. The March-May farrowings were up 15 percent.

Farrowing intentions for the entire country show a 17-percent increase in farrowings this fall (June through November). An even more rapid buildup is indicated in the fourteen-state data. For the last quarter (September through November), intentions show a 19-percent increase in farrowings.

Illinois farmers were not following the national pattern. Hog numbers were up only 2 percent in Illinois and breeding stock was down 2 percent from last year. Illinois was the only state of the fourteen major states to have lower numbers for breeding stock than a year ago.

WEIGHT OF MARKET HOGS. The weight distribution of market hogs indicates that slaughter is likely to continue near last year's level until about the first of September. By the middle of October when the light-weight category (which is up 14 percent) begins to come to market, the increase will be substantial. The actual distribution by weight category and changes from a year ago, respectively, are as follows: 220 pounds and up, 1 million head, down 6 percent; 180 to 219 pounds,

4.3 million, up 1 percent; 120 to 179 pounds, 7.2 million, up 4 percent; 60 to 119 pounds, 10.8 million, up 9 percent; and under 60 pounds, 21 million, up 14 percent.

PROSPECTS. Pork supplies are small now, but will be increasing this fall. Slaughter for the last half of the year will average slightly over 6 million head per month, compared to about 5.4 million last year. In 1971, the rate was almost 7.8 million per month. Fall farrowing intentions point to an average monthly slaughter of about 6.8 million head for the first half of 1977, compared to 5.8 million this year.

The sharp rate of increase should provide a caution flag for hog producers. By the spring of 1977, prices could well be low enough that hogs would not pay all costs. Again, this will depend a lot on size of the corn crop and on corn prices. In the short run, prices are likely to hold up well this summer, then decline to the mid 40's in October and drop to the low 40's by the end of the year.

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