



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

September 28, 1977

NUMBER OF HOGS INCREASING

ON SEPTEMBER 1, THE number of hogs and pigs were up 3 percent, totaling 50.1 million in the 14 major hog-producing states, according to the USDA Hogs and Pigs Report. Breeding stock at 7.3 million showed a gain of 8 percent from the previous year. Market hogs were up 2 percent from 1976, at 42.8 million.

Illinois had a sizable reduction in the number of hogs from a year ago, with a decrease of 7 percent. Only Ohio had a larger decrease, showing a drop of 16 percent. The greatest increases were in Kansas, up 21 percent, and Missouri up 18 percent.

WEIGHT OF MARKET HOGS. The inventory of market hogs by weight category indicates the market pattern should be similar to the one last year. Hogs over 220 pounds, which have been largely marketed now, were down 4 percent. Hogs from 180 to 219 pounds, which will provide the bulk of the marketing until the first part of October, were up 4 percent. Hogs weighing 120 to 179 pounds were down 4 percent from last year. These hogs will provide the bulk of slaughter supply until the later part of November. This may mean that the 1977 slaughter will not reach as high a level as last year. The group from 60 to 119 pounds was up 1 percent compared to last year, pigs under 60 pounds, which will largely be marketed after the first of the year were up 5 percent. With the abundant supplies of corn and low prices, hogs may be carried to heavier weights thus altering the marketing pattern slightly and also increasing the tonnage of pork.

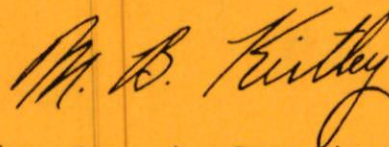
SOW FARROWINGS. The June-August farrowings were reported as 10 percent greater than last summer. This represents an additional increase from the June 1 intentions, which showed a 5-percent increase. Litter size was down slightly from last year, so the summer pig crop was estimated at 9 percent greater than last year. This is a bit higher than the inventory number indicated suggesting the possibility of a slightly higher winter slaughter than a projection from the inventory numbers. Producers indicated intentions to increase farrowings in the September to November period by 10 percent. Again, this is an increase from the June 1 intentions when producers planned a rise of 4 percent. For the winter period, December to February, producers now plan to farrow 11 percent more litters than last year.

OBSERVATIONS. The hog-corn ratio recently has been exceeding 25 to 1, a sharp increase from about 15 to 1 a year ago. The late summer prices for hogs have been

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equal to those of a year ago. Corn prices have been sharply lower. Producers are responding to this favorable situation as indicated by the increase in intentions for fall farrowings from 5 percent in June to 10 percent now. An 11-percent increase is indicated for the winter period. Actual farrowings may exceed these intentions, which is usually the case in a period of expansion.

Last year the commercial slaughter of hogs totaled 73.8 million, providing a pork supply of 58 pounds per person. The recent high in slaughter was in 1971, when the figure was 94.4 million and the pork supply per person was 73 pounds. This year's slaughter is likely to be about 78 to 79 million head. We have been at unusually low levels of hog production since 1974. With the lower price of corn, hog production is likely to be increased to the level of current intentions without dropping market prices under production costs. Consumer demand for pork appears to be favorable, and the quantities of beef will be decreasing. With the improved demand, prices are likely to stay in the middle 30's this fall, well above last year's low. Next spring will see lower prices than last year, but ones that still cover production costs. If sows bred this fall to farrow next spring exceed a 10-percent increase, prices may get to unprofitable levels in the fall of 1978. An expansion phase is underway in hog production; it is a time for caution, but not great alarm.



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