



ILLINOIS FARM AND FOOD OUTLOOK

COLLEGE OF AGRICULTURE
DEPARTMENT OF AGRICULTURAL ECONOMICS

Urbana, Illinois 61801

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EXPANSION IN HOG PRODUCTION CONFIRMED

The Hogs and Pigs report released by the USDA on June 21 confirmed a very large supply of hogs for the foreseeable future, which now extends through May 1980. Market hogs from the sows that will farrow in the September-November 1979 quarter will come to market next March through May, and the June 1 survey included producers' intentions for farrowings this fall.

The number of hogs now on hand indicates a continued downward slide in price. If farrowing intentions materialize, prices of hogs will be relatively low for at least the next 11 months.

For the whole of the U.S the hogs and pigs on hand as of June 1 totaled 64.9 million, up 18 percent from a year ago. Those kept for breeding were up 17 percent, and market hogs were up 18 percent.

By weight groups, market hogs under 60 pounds were up 20 percent, 60 to 119 pounders were up 19 percent, 120 to 179 pounders were up 15 percent, and those 180 pounds and over were up 15 percent. Marketings relative to a year ago will increase as time passes.

The largest increases in market hog numbers were in states other than the two biggest producers, Iowa and Illinois. Market hog numbers in Iowa were up 14 percent, and in Illinois they were up 12 percent. With the exception of Wisconsin, the increase in Illinois was the smallest among the principal hog-producing states.

In the 14 principal hog-producing states the number of sows farrowing in March through May was 3,486 thousand, down slightly from the number that producers said they were going to farrow on March 1 but up 22 percent from the spring of 1978, the largest year-to-year increase on record. If the slaughter-to-pig-crop ratio materializes as it has in recent years, the number of hogs slaughtered in the September-November quarter will be 25.8 million, the largest during the past decade and 7 percent more than in 1970, the year when hog prices were very low.

The second estimate of farrowing intentions for the period from June through August was 3,107 thousand, down from March 1 intentions of 3,163 thousand but up from the 2,597 thousand sows farrowed last summer. If these intentions materialize,

government programs last year. However, total cropland (planted plus diverted) normally expands dramatically when land is diverted. The increase in planted acreage this year represents a historically large percentage of the land diverted last year. There are two implications: (1) we may be near capacity in terms of planted acreage and (2) the average quality of planted acreage is probably lower than last year.

A large portion of the increase in soybean acreage came from crops normally planted on land of lower quality. Much of the rest represents intentions to double crop the wheat acreage.

Prospective crop size depends not only on the magnitude of plantings but also on yield levels. The USDA will release its first corn yield estimate on July 11. Soybean yields will be estimated on August 10.

D. L. Good

D.L. Good, Extension Specialist-Prices and Outlook

Cooperative Extension Service
United States Department of Agriculture
University of Illinois
At Urbana-Champaign
Urbana, Illinois 61801

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