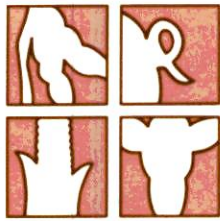




Cooperative
Extension Service
University of Illinois
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WEEKLY OUTLOOK

Department of Agricultural Economics
College of Agriculture
University of Illinois at Urbana-Champaign

June 26, 1985

HOGS AND PIGS REPORT SHOWS STABLE PRODUCTION

THE TEN-STATE *HOGS AND PIGS* REPORT RELEASED ON JUNE 21 shows stability of pork production for the next nine months. Pork production in recent months has exceeded projections based on pig crop and inventory reports. If the summer production is equal to projections from the June 1 inventory, there will be a sharp decrease in pork production this summer, justifying current to higher hog prices.

The report showed 41.5 million head of hogs in the ten principal producing states, down 1.1 percent from a year ago. The number kept for market was 36.5 million, just equal to a year ago but up 5 percent from the number indicated as kept for market on March 1. A year ago there was a comparable March 1 to June 1 increase, but production actually decreased 8.6 percent from spring to summer. Based on the inventory of 60 to 179 pound hogs, we expect production this summer to be just about equal to last. Last summer hog prices averaged \$52.22 at Omaha. However, pork faces more competition from broilers this summer than it did last.

The breeding herd totaled 5.4 million head, down 6.5 percent from a year ago, and was the smallest breeding herd on record. This decrease in the size of the breeding herd is not indicative of a decrease in production because of improvements in swine reproduction.

The number of market hogs under 60 pounds was down 1.7 percent from a year ago. The March-May pig crop was estimated at 18.8 million head, just equal to a year ago. These hogs should come to market during the October-December quarter. Accordingly, we should expect fall quarter pork supplies about equal to last year. This is larger than indicated by intentions to farrow on March 1. Last year actual October-December slaughter was 4.9 percent larger than that indicated by the June report. Pork production this fall may again exceed current indications. We should also expect larger broiler and turkey production. Last October-December, barrows and gilts at Omaha averaged \$47.56.

Farrowing intentions for June-August were 2.149 million head, down from 2.196 million head indicated on March 1. If these materialize, they will be 4.9

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percent below last summer. Recent patterns of change from intentions to actual farrowings suggest that pork supplies in early 1986 will be as large as this year.

The first indications of sows farrowing during the September-November period show a decrease of 3.5 percent. If these materialize, if litter size is equal to the average of the past three years, and if the slaughter to pig crop ratio is average, there will be a sharp decrease in pork production next April-June. But that is a long way down the road.

On balance, the pig crop report seems to indicate pork supplies very nearly equal to year ago levels for the next nine to twelve months. The industry appears to have stabilized at a relatively high level of production. Beef and poultry production is also at high levels. The record per capita supplies of total meat are being met with indifferent to weak consumer demand so that prices do not keep up with inflation. For the past year, hogs have sold in a low forty to low fifty dollar price range. To expect a range this high during the year ahead may be too optimistic.

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