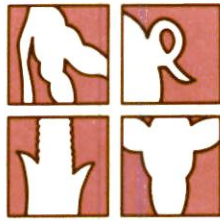




Cooperative  
Extension Service  
University of Illinois  
at Urbana-Champaign



# WEEKLY OUTLOOK

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

January 8, 1986

## HOG AND PIG REPORT SHOWS STABLE OUTPUT IN 1986

THE USDA RELEASED ITS TEN-STATE HOG AND PIG INVENTORY on December 23. The number of market hogs and intentions to farrow leads to predictions of stable or slightly declining pork production in 1986 compared with pork production in 1985. Price projections show a continuation during early 1986 of live hog prices at \$47 per hundredweight and a price decline to \$43 per hundredweight in the second quarter of 1986. The strength of hog prices in 1986 depends on whether beef producers continue the liquidation of their herds.

The ten-state inventory shows 41,100 thousand total hogs and pigs as of December 1, 1985. This total is 3 percent less than the 1984 inventory. The breeding herd of 5,258 thousand is 98 percent of the 1984 level. Compared with last year, however, this breeding herd represents a stable capacity for production because the number of pigs saved per litter continues to increase. Market hogs were 35,842 thousand head, down 3 percent from 1984. The reduction in market hogs was fairly evenly distributed across weight categories.

The number of sows farrowing in the ten states from September through November in 1985 was 2,265 thousand head, a figure that is very close to intentions expressed September 1, and 2 percent less than the number farrowing during the same period in 1984. The number of pigs saved per litter, 7.62, was 1 percent greater than last year; therefore, the pig crop of 17,255 thousand head was just 1 percent less than last year. Intentions to farrow during the December-February and March-May quarters are almost exactly equal to actual farrowings during the same periods in the 1984-85 marketing year. As the number of pigs per litter is likely to be higher, the pig crop will probably increase slightly.

Based on the December report, projected pork production during 1986 is about equal to actual production during 1985. Although the inventory is less than last year, farrowing intentions are the same, and pigs per litter and hog slaughter weights are higher. Pork production is likely to remain stable.

Actual Omaha cash prices for hogs were around \$44 per hundredweight in October and November, rising to \$47 per hundredweight in December. Revised price projections for 1986 show prices of \$47 per hundredweight during the first quarter of

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the year, falling to \$43 per hundredweight during the second quarter. The extent of the price decline will depend somewhat on whether liquidation of cattle herds continues. As prices are unlikely to rise above the mid-40s, however, producers should lock in profitable prices when they appear.

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