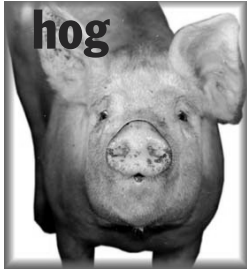


USDA: Pork In Storage Is Favorable To Prices



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outlook

USDA has released their quarterly estimate of the nation's hog inventory. They said the market hog inventory was down 2.7 percent compared to September 1, 2009. The swine breeding herd is down 1.8 percent from a year ago and forecast fall farrowings would be down 1.2 percent and winter farrowings will be up 0.5 percent. The market hog inventory is down 2.7 percent. The trade expected them to report that the breeding herd is 1.1 percent smaller than a year ago and the market hog inventory is down 2.8 percent compared to September 1, 2009.

USDA's latest cold storage report was friendly to pork prices. They said the supply of pork in cold storage at the end of August was 27 percent lower than a year earlier. Pork belly stocks were an astonishing 86 percent lower than last year, which is part of the reason that belly prices have been at record levels this month. The amount of pork in cold storage on August 31 was the lowest of any month since September 2004. Frozen stocks of beef were down 8 percent, turkey was down 24 percent, but frozen chicken was 8 percent higher than in August 2009.

USDA's Thursday afternoon calculated pork cutout value was \$89.57/cwt, down \$2.24 cents from the previous Thursday. Loins, bel-

lies, butts and hams were all lower. Bellies averaged \$1.5053 per pound, down from last week's record but higher than any time prior to September 14, 2010.

The national weighted average carcass price for negotiated hogs Friday morning was \$79.95/cwt, \$3.52 higher than the previous Friday. Regional average prices on Friday morning were: eastern corn belt \$79.81, western corn belt \$80.48, and Iowa-Minnesota \$80.45/cwt. The top live hog prices Friday were \$57/cwt at Zumbrota and \$55 at Peoria. The interior Missouri live top Friday was \$56.50/cwt, 75 cents higher than the previous Friday.

This week's hog slaughter totaled 2.206 million head, up 1.9 percent from the week before but down 6.0 percent compared to slaughter during the same week last year.

The average carcass weight of barrows and gilts slaughtered the week ending September 11 was 199 pounds, up 2 pounds from the week before and even with a year ago. Iowa-Minnesota live weights last week averaged 268.9 pounds, up 0.7 pounds compared to a year earlier. This was the first week that Iowa-Minnesota weights have averaged above year-ago since July 24.

The October lean hog futures contract ended the week at \$79.02/cwt, up \$1.32 from the previous Friday. The December contract settled at \$76.45 up 50 cents for the week. February closed the week 13 cents lower at \$79.47/cwt.

The December corn contracted ended the week at \$5.21'6, up 9 cents from the previous Friday. October soybean meal futures gained \$8.50 this week to settle at \$313.20/ton. Δ

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