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Agricultural Letter

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HOG AND PIG NUMBERS exceed year-earlier levels despite a sizable reduction in the fall pig crop according to the U. S. Department of Agriculture. The December 1, 1973 inventory of hogs and pigs intended for market was estimated at nearly 52.4 million head, up more than 1.8 million from a year ago. The 1973 fall pig crop (June-November), however, was estimated at 41.9 million head in the latest *Hogs and Pigs* report, down 1.2 million from the corresponding 1972 period, and the smallest fall pig crop since 1965. The contrast between the estimated increase in the inventory numbers and the decline in the pig crop is difficult to reconcile. When combined with other apparent inconsistencies in the report, the contrast suggests continued uncertainty for future slaughter supplies.

The U. S. Department of Agriculture's estimates of the change in inventory and the change in the fall pig crop imply that, compared to a year ago, 3 million more hogs from the spring pig crop were still in inventory on December 1. (Other factors—such as the decline in net hog imports and the increase in death losses—would imply the carryover is even larger.) If this increase in carryover actually occurred, roughly comparable advances would be expected in the inventory of heavier-weight hogs. But according to the report, the inventory of market hogs weighing 180 pounds or more totaled only 8 million head on December 1, up just 0.5 million head from a year ago.

Among other weight categories, the inventory of 120 to 179 pound hogs was virtually unchanged from a year ago, while hogs and pigs weighing 60 to 119 pounds numbered 2 percent more. Pigs weighing less than 60 pounds—which account for nearly two-fifths of the total inventory of market hogs—numbered 5 percent more than a year ago on December 1. The latter increase, however, appears inconsistent when viewed in relation to the reduction in the fall pig crop.

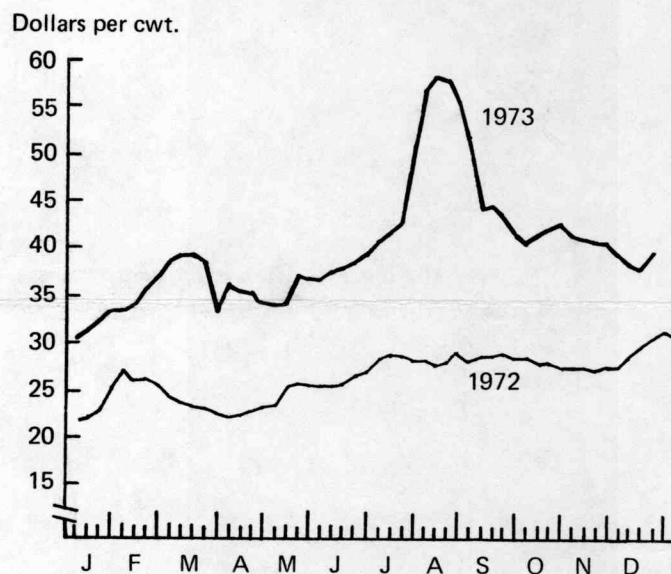
Future slaughter supplies represent the central issue behind the question of whether or not 3 million more hogs from the spring pig crop were in the December 1 inventory. The U. S. Department of Agriculture attributes the increased carryover to altered feeding practices—particularly the apparent cut-back in high protein concentrates—and the attendant reduction in rates of gain. While most observers concede that this has been a factor, many believe that the slowdown in weight gains is less significant than the USDA figures imply, and that further downward revisions in inventory estimates are in order. Those who take this point of view suggest that the year-to-year change in hog slaughter during the first half of 1974 will closely parallel the reduction in the fall pig crop. USDA inventory figures, on the other hand, seem to indicate first-half slaughter will rise above year-earlier levels.

Slaughter supplies in the latter half of 1974 are expected to largely reflect the 1974 spring pig crop, particularly if the reduction in protein supplement prices results in more typical feeding practices. The December 1973 report indicates the inventory of hogs and pigs held for breeding purposes was unchanged from the year-earlier level, and that producers intend to farrow about the same number of sows during the Decem-

ber 1973-May 1974 period as they did a year earlier. If this is the case, and if the number of pigs saved per litter more closely approximates the normal trend, the spring pig crop could rise by 1 percent from last year's level. In 1973, pigs saved per litter fell to the lowest level since 1960, in part reflecting altered feeding practices.

Hog prices are expected to remain at high levels by most observers. Based on the estimated 1973 fall pig crop and the projected 1974 spring pig crop, hog slaughter in the current year may fall below the reduced level of last year. This could be altered, however, if the December inventory figures prove reasonably accurate and if actual farrowings exceed current intentions. In the latter half of 1974, hog prices may experience some downward pressures from both larger pork and beef supplies.

Hog Prices at Omaha



WINTER WHEAT SEEDINGS were recently estimated at 51 million acres by the U. S. Department of Agriculture. The new level represents an 18 percent increase from year-earlier plantings and a mark exceeded only once in the past two decades. Based on trend-adjusted yields, the larger plantings are projected to boost 1974 winter wheat production to a record 1.5 billion bushels, up 19 percent from 1973.

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