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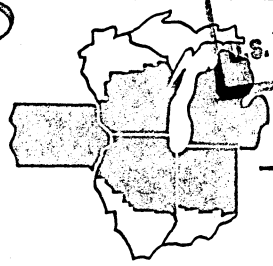

PIGS AND PORK APLENTY are indicated for this fall and winter. A survey of farmers last December indicated they planned to breed 6 per cent more sows for spring farrowing than in the year-earlier period.

However, the high price of hogs relative to corn indicated that these plans might be changed. A resurvey in the major hog-producing states in March indicated a 9 per cent increase. Many market analysts now expect that margin will be topped. The question is: how much?

Iowa farmers farrowed 31 per cent more sows in December-March than a year ago. Farrowings in March were 25 per cent above March last year. March, April and May are the months of largest farrowings. If farrowings in April and May this year should be no larger than last year, the Iowa spring pig crop would show an increase of 12 per cent. On the other hand, if the April-May farrowings were to account for 59 per cent of the total spring pig crop as they did last year, Iowa farmers would have about 30 per cent more pigs headed for the fall and winter market than they had last year.

Thus, while the number of pigs to be marketed this fall remains uncertain, it is clear that the supply will be considerably larger than last fall.

Hog prices will decline. The year's highest price frequently comes in August. It probably will be earlier this year as many farmers push their hogs for an early market to get in ahead of the rush and the seasonal decline in prices.

The year's lowest price frequently comes in December and is on the order of 20 per cent below the summer high. The decline this year is expected to be larger than average due to the expansion in hog production and the indicated large supply of other kinds of meat. If the decline should be about 30 per cent and the year's high about the same as the April peak, the winter low would come out around $20 at Chicago. This would be about equal to the low point reached in late October and early November last year. In view of the indicated larger supply, however, many analysts expect prices to drop below those of last fall. Recently a trade publication guessed $15.

THE COST of producing hogs varies, of course, with the efficiency of individual farmers and prices of items used in hog production. Data reported recently for Minnesota farms indicate that the following average amounts of feed were used to turn out 100 pounds of live hog (this is total feed used for hogs, divided by pounds of hogs actually marketed--includes boar and brood sows):

Corn	335 lbs. or 6.0 bu.
Oats	115 lbs. or 3.6 bu.
Commercial feeds...	50 lbs
Total	500 lbs.

About one-tenth of the farmers used as little as 400 pounds of feed to produce 100 pounds of hog and a similar number required as much as 600 pounds.

At mid-April farm prices of $1.45 a bushel for corn, 78 cents a bushel for oats and about 5 cents a pound for commercial feed, the feed cost per 100 pounds of hog would be $14.01.

The total cost of producing hogs is distributed as follows:

Feed	82%
Labor	9
Interest, shelter, equipment	7
Miscellaneous cash	2

According to the Minnesota records, about this same breakdown of costs has been found in all areas of the state and in all years, whether the price level was high or low.

Thus, for each $82 of feed used, the total cost is $100, or, in round numbers, the total cost is about 25 per cent more than the feed cost. A $14.00 feed cost, then, would indicate a total cost of about $17.50 per 100 pounds of hog produced. In view of their indicated production plans, farmers apparently expect hog prices to average $17.00 or higher at the time of marketing.

The acreage planted to corn this spring apparently is being influenced by hog production plans. Also affecting the corn acreage, but probably in the opposite direction, are farmers' expectations as to soybean prices since beans and corn frequently "compete" for the same land in the rotation. The University of Illinois has estimated that on land yielding 70 bushels of corn or 30 bushels of soybeans and with corn at an open market price of $1.35 a bushel, soybeans selling for $1.30 a bushel would make it pay to reduce corn acreage in favor of beans so as to comply with acreage allotments and be eligible for a support loan on corn. However, if corn is valued at $1.55 in the open market, beans would have to sell for about $3.35 a bushel to make the shift profitable. These estimates assume the costs of growing corn and soybeans are about equal and a fertility cost of 19 cents per bushel for corn and 15 cents for soybeans.