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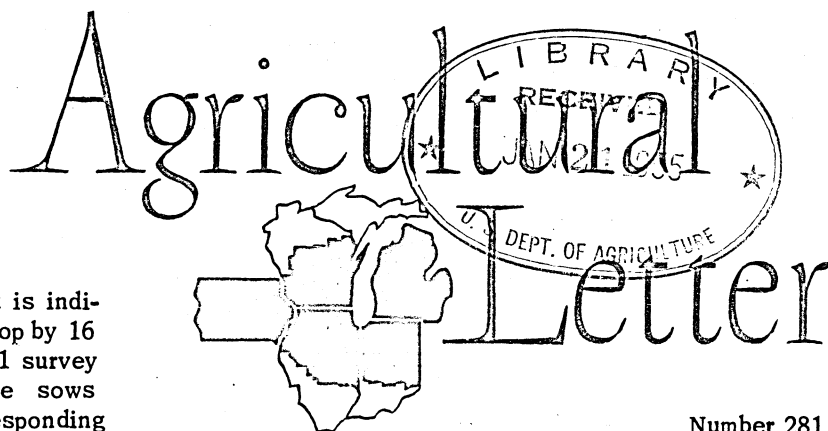
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Federal Reserve Bank of Chicago --

December 31, 1954



Number 281

A SUBSTANTIAL INCREASE in pork output is indicated for 1955. Farmers boosted their fall pig crop by 16 per cent over a year ago, and now a December 1 survey showed that they plan to have 5 per cent more sows farrow in the next 6 months than in the corresponding year-earlier period.

Slaughter of hogs in 1955 will be determined largely by the number of pigs farrowed in the past fall and the coming spring. It now looks like these two pig crops will total about 95.3 million head, compared with 87.5 million in the preceding year, for a gain of 9 per cent.

Farmers' intentions, of course, can be revised. Any change made after December 1 would largely affect the number of sows farrowing in April and May. Probably two-fifths of the spring crop will be farrowed in these two months. Thus, changes made after the survey date can materially alter the total number of spring litters. Last year the "intentions report" indicated a 6 per cent increase in spring farrowings; however, a subsequent count showed an actual increase of 12 per cent.

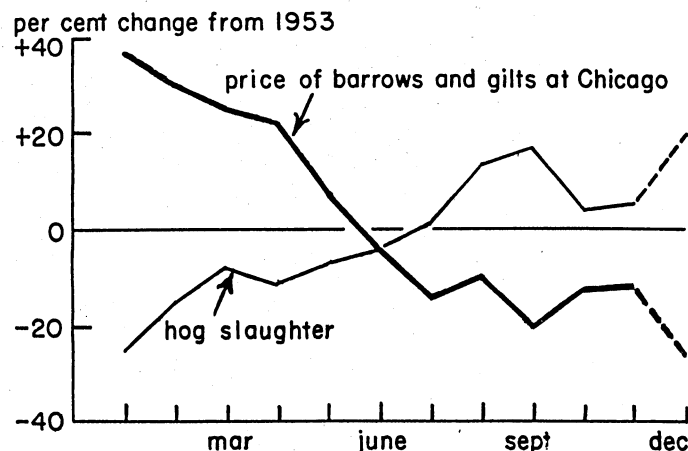
Sows to farrow this winter--December, January and February--were bred in a period when the price of hogs was higher relative to corn than is the case now. Present indications are that these early farrowings will account for almost all of the increase in the spring crop. Planned farrowings in six Corn Belt states during the three winter months are up 22 per cent. Part of this increase reflects a trend toward earlier farrowings which has been in evidence for a number of years.

Planned spring farrowings in District states, the fall pig crop and the percentage changes from the corresponding year-ago levels are presented in the table below.

THE NUMBER OF HOGS over 6 months old on December 1 was 14 per cent more than the number recorded on the survey day last year. Marketings of hogs during December and January are therefore expected to run substantially above year-earlier amounts. When the final tally is made, marketings in December will probably ex-

ceed the like month of 1953 by over 20 per cent, and in the early months of 1955 this average monthly pace is not expected to slacken appreciably.

The monthly distribution of the fall pig crop, also shown in the table, indicates that the largest increases occurred in June and July. Judging by this pattern of fall farrowings, which have not always been a satisfactory indicator, the per cent increase in slaughter might rise further in January and February. With this potential for large hog runs, some market analysts see no or, at best, only a weak seasonal price recovery during the next two months.



If slaughter in January and February remains about 20 per cent above year-ago levels, average monthly prices may remain about 25-30 per cent below their year-earlier levels.

Research Department

	Sows Farrowing, Spring 1955 December 1, 1954 -- June 1, 1955		Fall Pig Crop, 1954 June 1, 1954 -- December 1, 1954		Sows Farrowing by Months, 1954	
	Thousand	Per cent change from 1954	Thousand	Per cent change from 1953	Thousand	Per cent change from 1953
Illinois	1,018	+5	4,469	+17	June	821 +20
Indiana	640	+8	4,041	+16	July	770 +23
Iowa	2,019	+5	6,915	+13	Aug.	1,397 +17
Michigan	115	+3	648	+9	Sept.	1,413 +7
Wisconsin	339	+5	1,255	+14	Oct.	689 +7
U. S.	8,469	+5	36,766	+16	Nov.	334 +18