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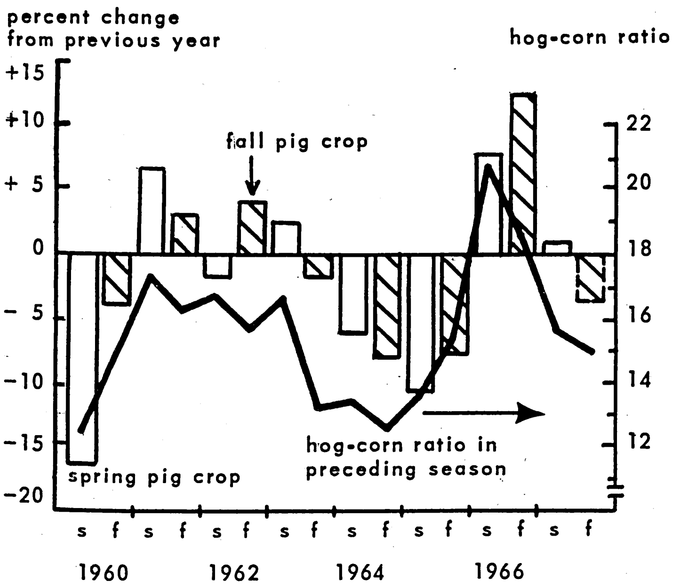
PORK PRODUCTION is now headed downward. During the latter part of the year output of pork is expected to drop under year-earlier levels and will probably continue at reduced levels well into 1968. This year's spring pig crop (December-May), which will be largely marketed during the second half of this year is now estimated at 46 million head, 1 percent above the 1966 spring crop—and all of the increase was during the December-February period. Moreover, farmers recently indicated that they intend to have about 3 percent less sows farrow during the fall crop period (June-November). These estimates compare with the 8 and 13 percent gains posted, respectively, by the 1966 spring and fall crops, following the 1965 low in the hog cycle.

Cutback in Farrowings Underway



Farmers' plans, of course, can be and often are revised. Changes in prices and feed grain prospects during the next month or so can still affect late fall farrowings.

Prices of hogs at Chicago during the latter part of May moved up to nearly $24 per hundredweight. Although prices have declined about $1 per hundred during June they are still sharply higher than the average level of around $18 during April. The sharp price rise largely reflects the seasonal decline in marketings which was accentuated this year by the press of spring field work during the latter part of May.

Since the first part of April the weekly rate of hog slaughter under Federal inspection has dropped more than 300,000 head. Moreover, the margin of slaughter over a year earlier has narrowed, reflecting the cutbacks in farrowings which began last fall. Slaughter of hogs under Federal inspection during March, for example, was running about 16 percent above the same month in 1966, whereas by mid-June the margin had been trimmed to around 10 percent above the year earlier.

Marketings in the weeks ahead are expected to decline further seasonally, and the margin over a year ago likely will continue to narrow. The number of hogs on farms as of June 1 weighing 120 to 219 pounds (those that will be marketed mainly during the third quarter) would point to 2 to 3 percent larger marketings through the summer months compared with the sharp increases of 22 and 8 percent, respectively, posted in the first and second quarters of this year.

Any price rise during the summer months, however, is likely to be tempered by the large holdings of pork in cold storage. As of June the amount of pork in cold storage was about 27 percent larger than a year earlier.

Number of Hogs on Farms
Point to Lower Fall Marketings

Weights (pounds)	June 1966	June 1967	Change (percent)
	(thousand head)		
Under 160	20,482	19,403	-5
60-119	8,357	8,733	+4
120-179	5,128	5,183	+1
180-219	2,651	2,901	+9
220 and over	880	960	+9
Total	37,498	37,180	-1

The number of hogs on farms in June that will make up the bulk of the fall marketings (those weighing under 120 pounds) was about 3 percent lower than a year ago. As a result, marketings next fall are expected to decline from the year-ago level and prices will likely rise above the 1966 level. Moreover, if farmers carry out their June intentions to reduce the number of sows farrowing during the fall and winter months, prospects for relatively favorable prices during the first half of next year would be good.

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