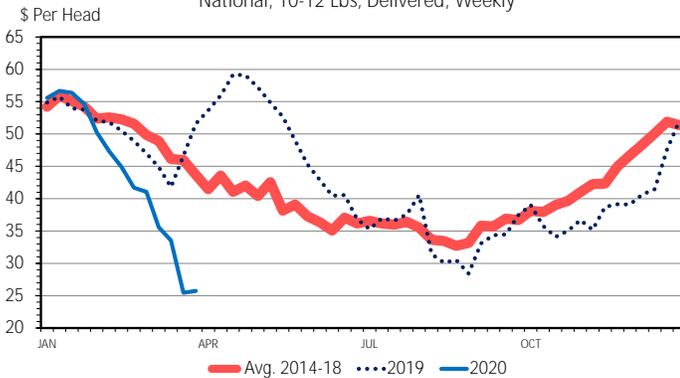


The market volatility over the last few weeks has been unprecedented but weaned and feeder pig prices have been experiencing pressure since the start of the year. Weighted average prices (formula and cash) for weaned pigs (10-12 pounds) started out the year at about \$56 per head, which was similar to last year's price and the five-year average. By the end of January and the first week of February prices began to sharply decline. As of the last week of March, prices have declined 53.7% from the start of this year to \$25.73 per head. The last time prices were this low for weaned pigs was August 2018 when prices dipped to \$21.68 per head. Weaned pig prices typically decline going into the summer months but this year the decline is occurring sooner and faster.

EARLY WEANED PIG PRICES
National, 10-12 Lbs, Delivered, Weekly



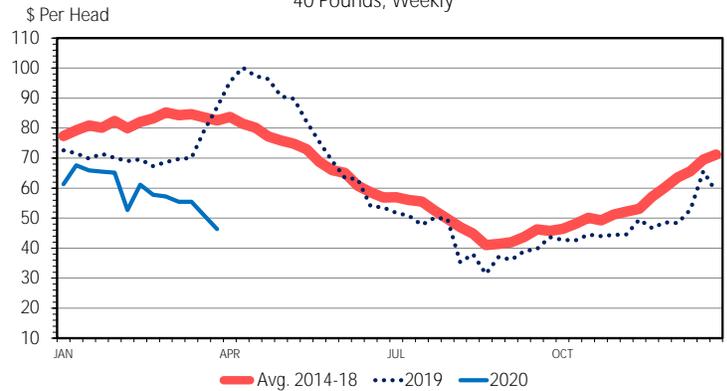
Data Source: USDA-AMS
Livestock Marketing Information Center

H-P-21
03/30/20

A similar but not as drastic story can be told for feeder pig (40 pound) prices (weighted average of formula and cash) which started out 2020 at \$61.28 per head peaking at \$67.60 per head the following week. Since the peak, prices have gradually declined 31.4% to \$46.36 per head as of the last week of March. Typically, feeder pig prices peak around the month of March then decline over the summer months. Like weaned pigs, the decline in feeder pig prices has occurred much sooner and been more rapid than usual. Current market uncertainty has added to the decline in weaned and feeder pig prices, but estimated returns for a wean-to-finish operation are most likely pressuring prices as well.

Iowa State University's estimated returns for a wean-to-finish operation have been posting negative returns for the last six months (September 2019 to February 2020). Returns have ranged from -\$12.68 per head in January 2020 to -\$30.12 per head in

FEEDER PIG PRICES
40 Pounds, Weekly

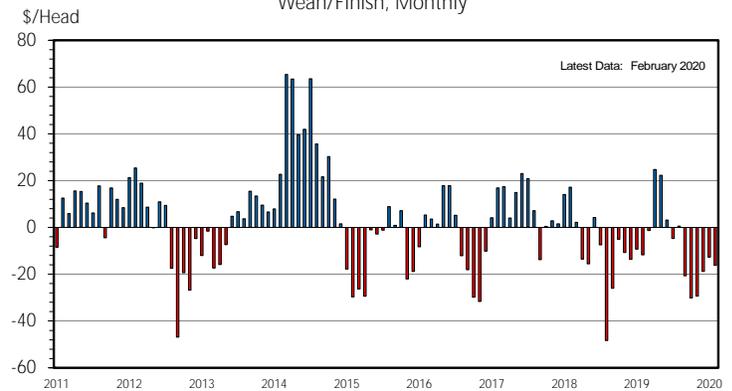


Data Source: USDA-AMS
Livestock Marketing Information Center

H-P-22
03/30/20

October 2019 with an average of -\$21.29 per head over the six-month period. Struggling returns coupled with record hog numbers (77.6 million head, up 4.0%) and pigs per litter (11.00, up 2.8%) reported in the March 1 Hogs & Pigs report are also contributing factors to the decline in weaned and feeder pig prices. The continued growth in the hog sector, ample hog supplies, and continued negative returns are likely weighing on weaned and feeder pig prices. Couple this with the market uncertainty surrounding COVID-19 and prices for weaned and feeder pigs are likely to remain under pressure.

IOWA MARKET HOG PROFIT
Wean/Finish, Monthly



Data Source: Iowa State University
Livestock Marketing Information Center

03/18/20



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