

Iowa-Minnesota barrow and gilt prices have reached a plateau in the last two weeks holding just above \$76/ cwt. That has not been the case for feeder pig prices which have surged in response to higher prices throughout the pork complex.

Early weaned pigs (10-12 pounds) climbed nationally over \$14 per head in the last five weeks and 40-pound piglets have surged over \$30 per head in that same time-frame.

This is about a 1-2 week lag behind when prices started moving steadily higher in barrows and gilt prices and closer to three weeks behind changes to cutout values.

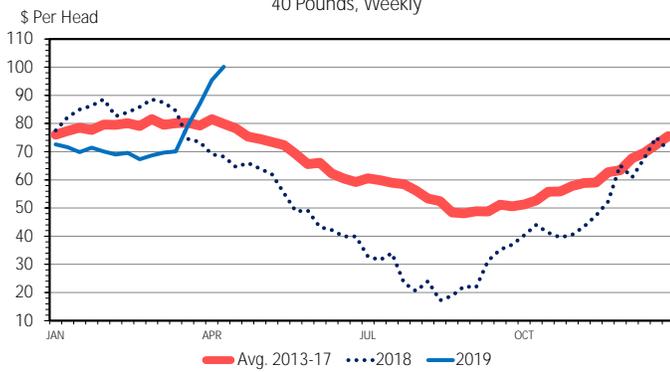
Iowa State University recently released its feeder to finish budget which uses the 40-pound feeder pig price as an input. Returns posted in March returned an estimated \$4.59 per head, based on a 40-pound feeder pig purchase price of \$49.73 per head back in November 2018.

Feeder pigs bought today are expected to be marketed in August of this year. The cost of the feeder pig alone has doubled in value to \$100.17 per head last week compared to the purchase price in November 2018. If no other costs changed from the March data that would place breakeven prices of \$66.25/cwt on a live weight and just over \$88/cwt on a dressed basis. August lean hog futures are were over \$101 /cwt suggesting the ability to lock in profits over \$10/cwt on a carcass weight.

The usual caveats apply to extrapolating costs over the next 4 months. Feed costs are the most sensitive cost component, but with hog prices over \$100 /cwt on a dressed basis, there is room for costs to expand or for slaughter barrow and gilt prices to moderate.

A side note on feeder pig supplies that is also worth mentioning is Canadian feeder pig imports are down year-over-year. Feeder pig imports are down 3.1% year to date or about 35 thousand head. This deficit is not likely playing a large role in the run-up in U.S. feeder pig prices at this time. The majority of feeder pig imports are under 7kg (similar to the U.S. 10-12 pound category). Total feeder pig imports from Canada under 23 kg totaled 3.9 million head last year.

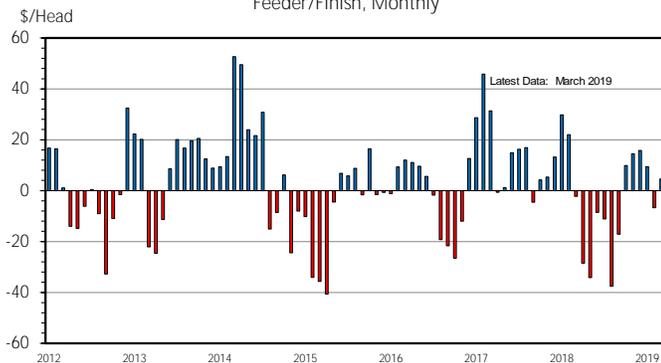
FEEDER PIG PRICES
40 Pounds, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

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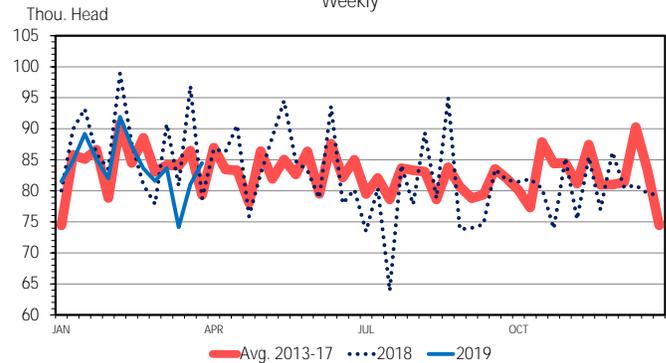
IOWA MARKET HOG PROFIT
Feeder/Finish, Monthly



Data Source: Iowa State University
Livestock Marketing Information Center

04/16/19

FEEDER PIG IMPORTS FROM CANADA
Weekly



Data Source: USDA-AMS & USDA-APHIS
Livestock Marketing Information Center

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