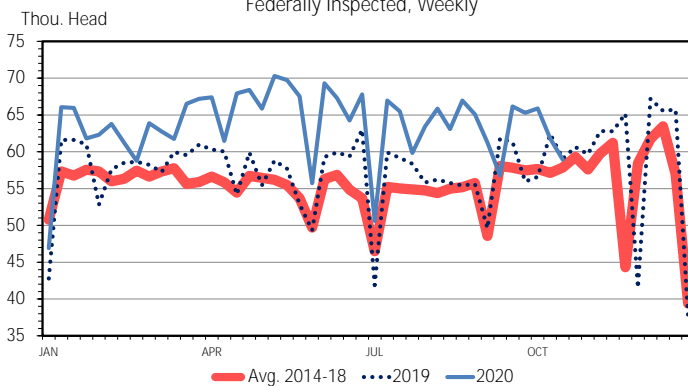


The higher pace of sow slaughter has led to lower levels of feeder pigs as evidenced by the September 1 Hogs & Pigs report stating a 3.5% decline in market hogs and pigs weighing under 50 pounds. The lower feeder pig supplies are part of a contributing factor to the rise in 10-12- and 40-pound feeder pig prices.

Sow slaughter continues to remain well above last year but is showing signs that the pace may be slowing. Year-to-date, through mid-October, sow slaughter is tracking 11.2% higher than the same period in 2019. The last two weeks sow slaughter levels were marginally below the same week last year which marks only three weeks this year where this has occurred, including Labor Day week.

SOW SLAUGHTER Federally Inspected, Weekly



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

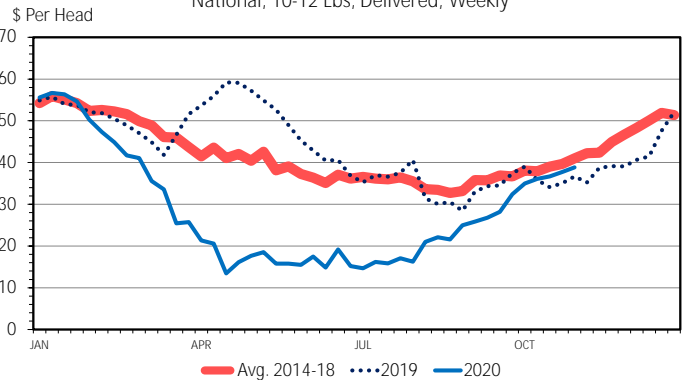
H-S-15
10/30/20

The weighted average national price for early weaned feeder pigs (10-12 lbs.) experienced extended pressure over the summer months in the wake of the pandemic. The lowest price for 2020 was reached in mid-April when it dipped to \$13.45 per head, a low that has not been seen in the USDA AMS NW_LS255 report series dating back to 2012. Prices lingered below \$20 per head averaging \$16.22 until the first week of August when it reached \$20.99. Since August prices have been on a general upward trend with the last week of October posting \$38.82 per head, 5.8% above the same week last year and nearly a three-fold increase from this year's low.

The 40-pound feeder pig price was pressured over the summer months as well with the lowest price occurring in mid-July bottoming at \$10.90 per head. This is also the lowest price reported for the USDA AMS NW_LS255 report series back to 2012. Since that low, prices have rebounded with the last few weeks at or above the prior year's levels and following more seasonal patterns.

EARLY WEANED PIG PRICES

National, 10-12 Lbs, Delivered, Weekly



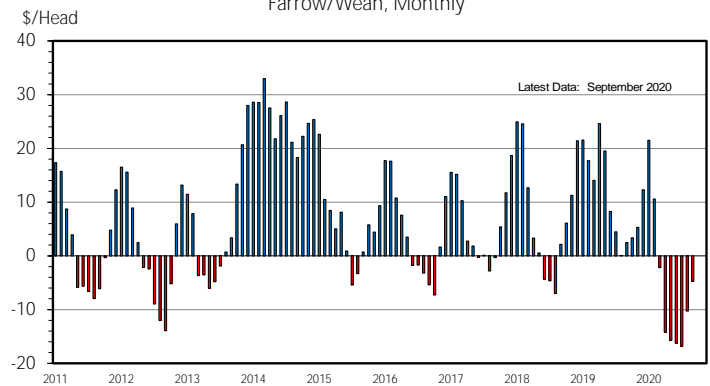
Data Source: USDA-AMS
Livestock Marketing Information Center

HP-21
11/02/20

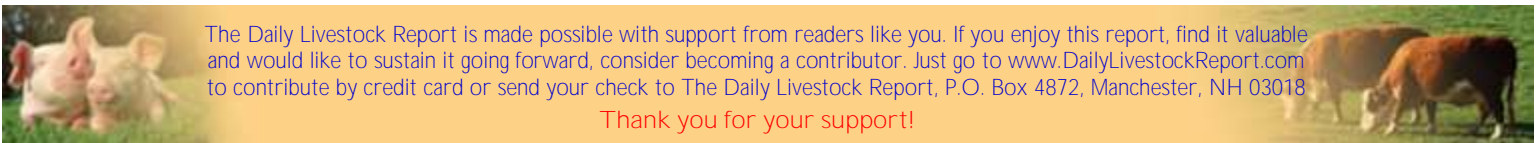
Iowa State University's estimated returns for a farrow-to-wean operation producing a 10-12 lb. weaned pig have been positive only two months this year, January and February. From March through September, estimated returns have averaged a loss of -\$11.47 per head. In fact, four of the top five lowest profitable months in the farrow-to-wean series (dating back to January 2004) were this year, July (-\$16.82), June (-\$16.25), May (-\$15.76), and April (-\$14.20). Estimated returns for the most recent month of September were a loss of -\$4.77 per head. Improving early weaned feeder prices and tighter supplies will likely support better returns during the fourth quarter.

IOWA MARKET HOG PROFIT

Farrow/Wean, Monthly



Data Source: Iowa State University
Livestock Marketing Information Center



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