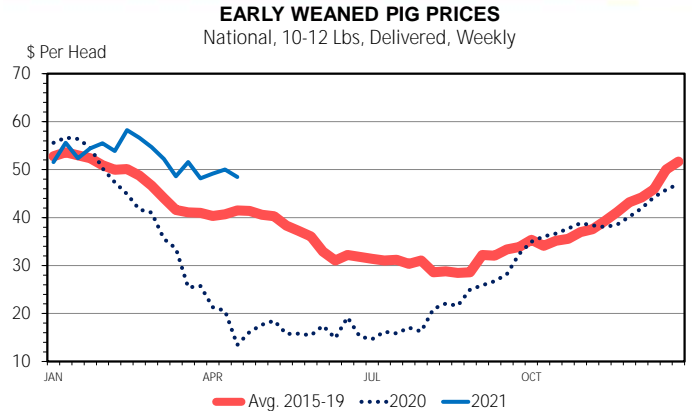


The March 1 Hogs and Pigs report showed that farrowing intentions for the next two periods (Mar-May and Jun-Aug) is pointing towards producers taking a measured approach to expansion in the near term. Weekly sow slaughter data supports this notion based on the elevated pace with year-to-date slaughter through mid-April tracking 1.4% above the same period last year and 9.2% higher than 2019. Part of the equation in sow slaughter is adjusting for the imports of slaughter sows which come almost entirely from Canada. On a weekly basis USDA AMS releases data on slaughter sow and boar imports and through mid-April imports are 12.4% higher than a year ago. Adjusting the reported weekly sow slaughter for sow and boar imports shows that year-to-date sow slaughter is tracking about 0.2% below last year but 9.7% above 2019. Adjusting for sow imports does shed some light on the current sow slaughter situation which indicates moderation in the size of the breeding herd.

Tightening of the breeding herd has limited available hog supplies and kept feeder pig prices counter seasonally high. Since the start of the year, early weaned feeder pig prices (10-12 lbs.) have been holding steady at about \$50 per head. Typically, during the summer months, early weaned pig prices will decline, but so far that decline has been slow to occur. Feeder pig prices (40 lbs.) have taken a counter seasonal move higher climbing \$30.90 per head (44.9%) since the start of the year to \$99.70 per head last week. The elevated feeder pig prices are a substantial difference from just one year ago when early weaned pigs were about to reach a record low of \$13.45 per head and 40 lbs. feeders were on their way to summer lows well below \$20 per head.

The [April 22, 2021 DLR](#) discussed recent trends in feed costs and the implications to the hog sector and producer profitability. It was noted



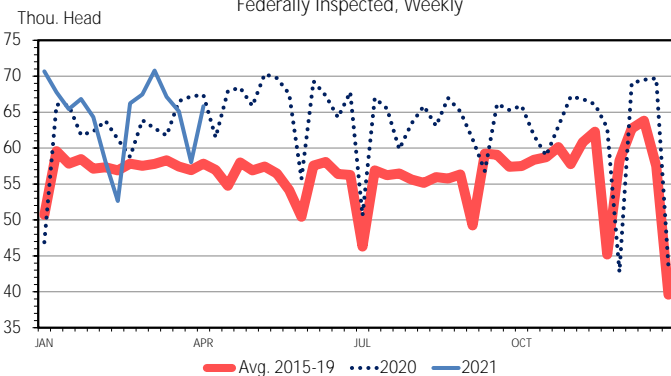
Data Source: USDA-AMS
Livestock Marketing Information Center

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that Iowa State University's farrow-to-finish hog returns were estimated at about \$30 per head profit for the month of March. Wean-to-finish and feeder-to-finish returns were estimated at \$27.28 and \$28.86 per head, respectively, for March. Although returns are at profitable levels feed costs have also risen 27.8%, 30.8%, and 34.8%, respectively, for farrow-, weaned-, and feeder-to-finish operations. Elevated sow slaughter, higher feeder pig prices, and rising feed costs are just a couple factors into producer's production decisions and indicate a measured approach to expanding the breeding herd in the near term.

SOW SLAUGHTER

Federally Inspected, Weekly

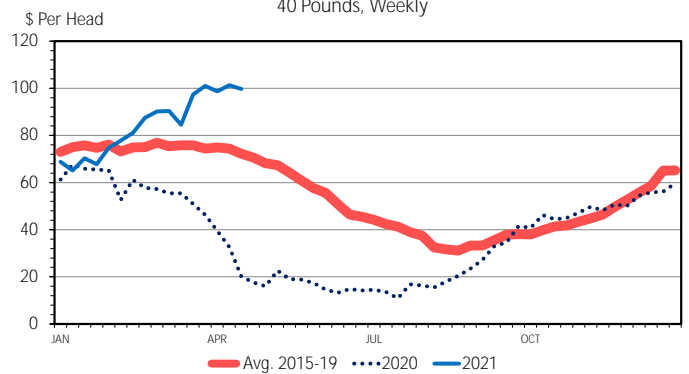


Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center

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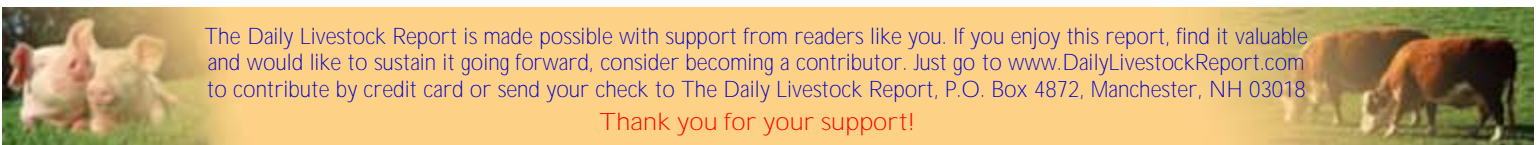
FEEDER PIG PRICES

40 Pounds, Weekly



Data Source: USDA-AMS
Livestock Marketing Information Center

H-P-22
04/20/21



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