

Commentary on March 30, 2007 USDA Hogs and Pigs Report

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Friday's USDA Hogs and Pigs report documented the relatively steady inventory status of the US swine industry. It also documented the on-going underlying structural changes in the industry.

The shift to specialized production units continues, with on-going statewide shifts. For example, Iowa and Minnesota are the leading states for importing of feeder pigs as evidenced by the disparity between the breeding herd and kept for finishing inventory expressed as a percentage of the US inventory. These imported pigs come from Canada, Nebraska, Missouri, Oklahoma, North Carolina and lately, Illinois.

In the past 3 years, Illinois farrowed more pigs than were finished in the state, with the excess pigs exported out-of-state, most often to Iowa and Minnesota. The shift towards more farrowing than finishing in Illinois is somewhat surprising given the state is the number 2 state in the US for corn and soybean production. The lack of a significant cattle, dairy or poultry industry in Illinois relative to feed grain production suggests that Illinois grain farms rely heavily on exports from Illinois or industrial usage of the feed grains for their market opportunities.

The demand for quality pigs to fill nurseries, finishers and wean-finish facilities in Iowa and Minnesota continues as evidenced by the record setting imports of Canadian feeder pigs. In 2006, US producers imported just under 5.9 million feeder pigs from our neighbor to the north. Imports to date this year are running ahead of last year's record pace.

In February, USDA released its estimate of the number of farms with pigs and the relative size of these farms. For 2006, 88% of the pigs were owned by 2910 operations that had inventories of 2000 or more pigs. The largest average inventory sizes were in North Carolina and Iowa. Two hundred sixty five (265) operations with inventories of 20,000 head or more controlled 63.5% of the US inventory.

Table 1. Based on Ownership, United States, 2005-2006 1/

Class	<u>Operations</u>		<u>Percent of Inventory</u>	
	2005	2006	2005	2006
	number		Percent	
1-99	40,460	39,395	1.0	1.0
100-499	9,550	9,045	3.5	3.0
500-999	3,300	3,030	3.5	3.0
1,000-1,999	2,050	1,970	5.5	5.0
2,000-4,999	1,680	1,690	9.0	9.5
5,000-9,999	630	645	7.0	7.5
10,000-19,999	300	310	7.0	7.5
20,000-49,999	140	150	8.5	9.5
50,000+	<u>110</u>	<u>115</u>	<u>55.0</u>	<u>54.0</u>
Total	58220	56350	100	100

1/ Own one or more hog or pig at any time during the year.

Table 2. Number of Operations with Hogs, US 2006

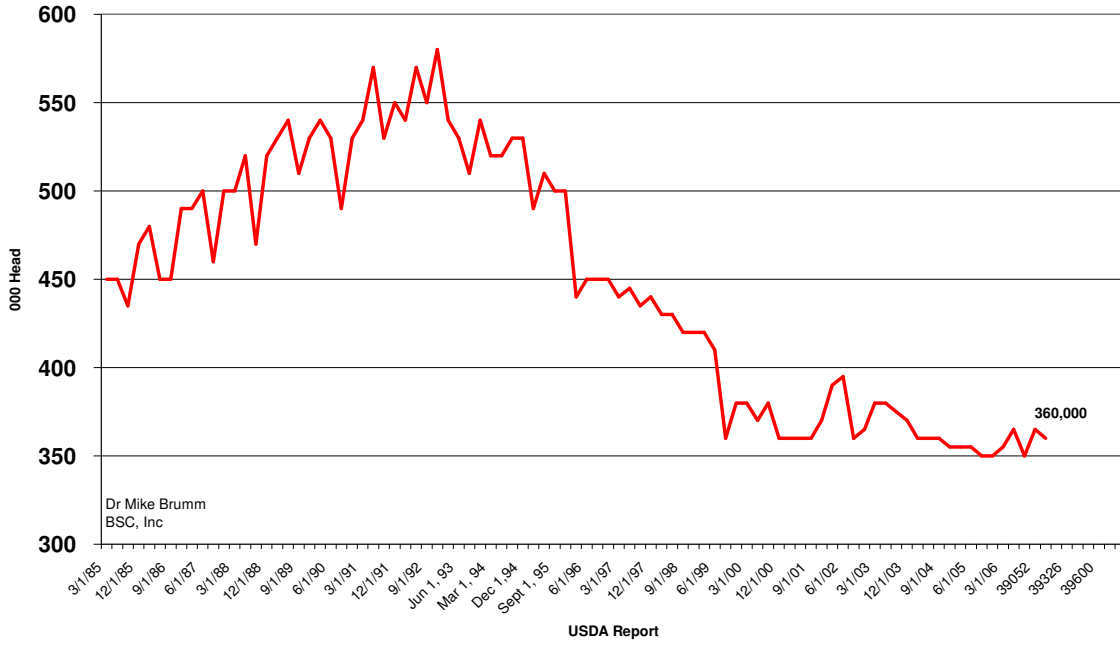
State	Operation Number	1-Dec-06 Inventory	Inventory/operation
Iowa	8,700	17,200,000	1,977
N Carolina	2,300	9,500,000	4,130
Minnesota	4,800	6,800,000	1,417
Illinois	2,900	4,200,000	1,448
Indiana	2,800	3,300,000	1,179
Nebraska	2,500	3,000,000	1,200
Missouri	2,000	2,750,000	1,375
Oklahoma	2,600	2,330,000	896
Kansas	1,400	1,840,000	1,314
Ohio	4,000	1,680,000	420
S Dakota	1,100	1,330,000	1,209

An operation is any place having one or more hog or pig on hand at any time during the year

Table 3. March 1, 2007
Inventory

State	Breeding	Market	Total
		(000 hd)	
Iowa	1,080	15,520	16,600
N Carolina	1,020	8,380	9,400
Minnesota	600	6,200	6,800
Illinois	440	3,610	4,050
Indiana	320	2,830	3,150
Nebraska	360	2,640	3,000
Missouri	360	2,440	2,800
Oklahoma	360	1,980	2,340
Kansas	165	1,675	1,840
Ohio	165	1,535	1,700
S Dakota	135	1,205	1,340
Pennsylvania	100	990	1,090

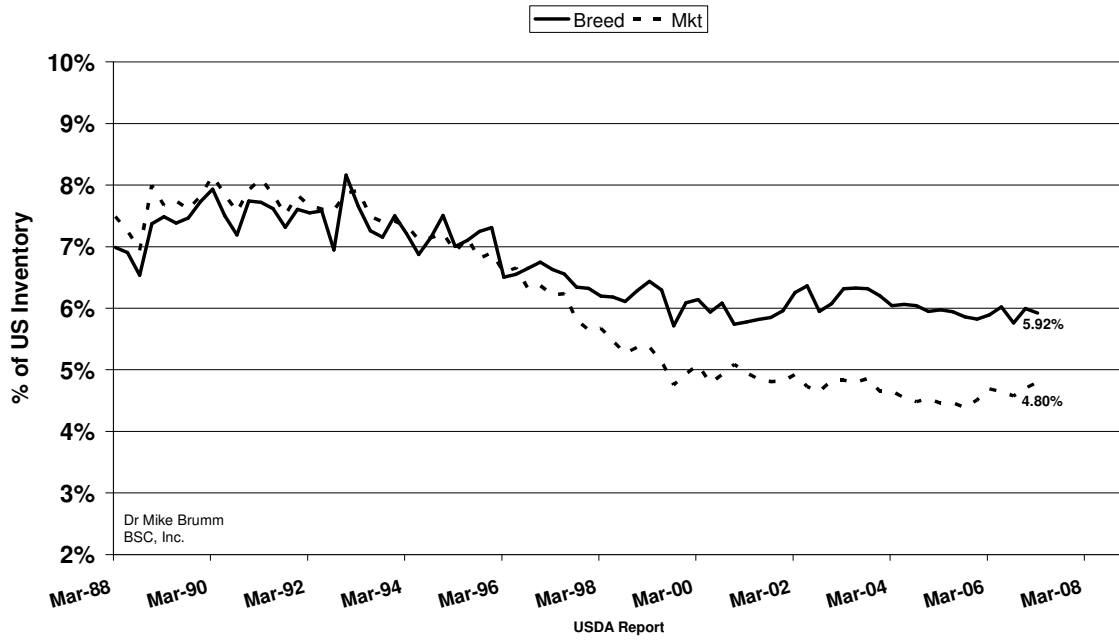
Nebraska Breeding Inventory



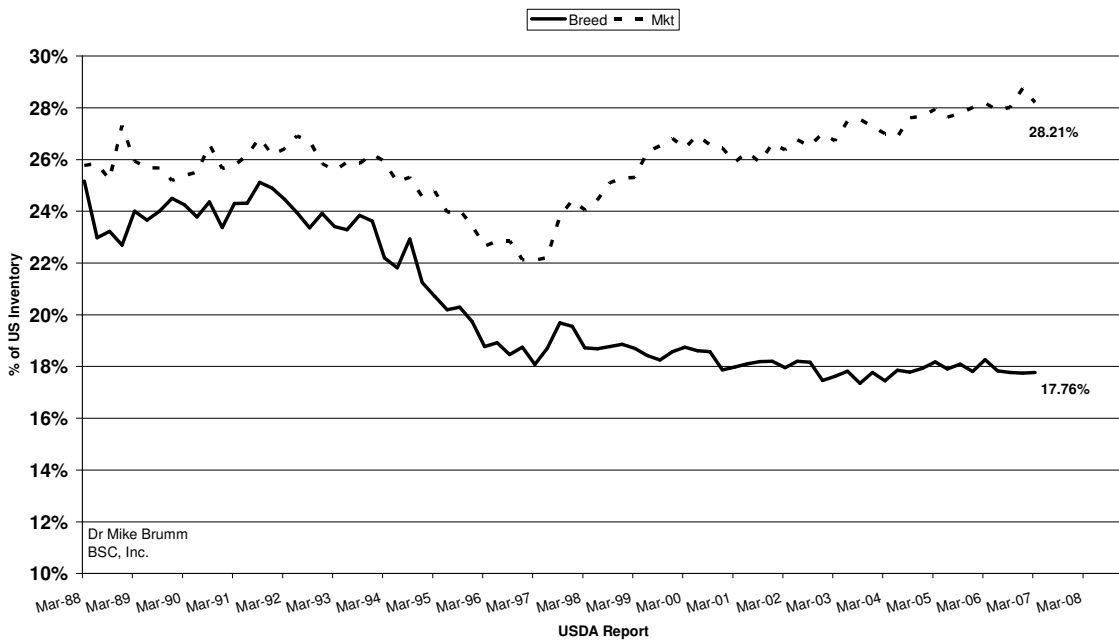
Nebraska Market Inventory



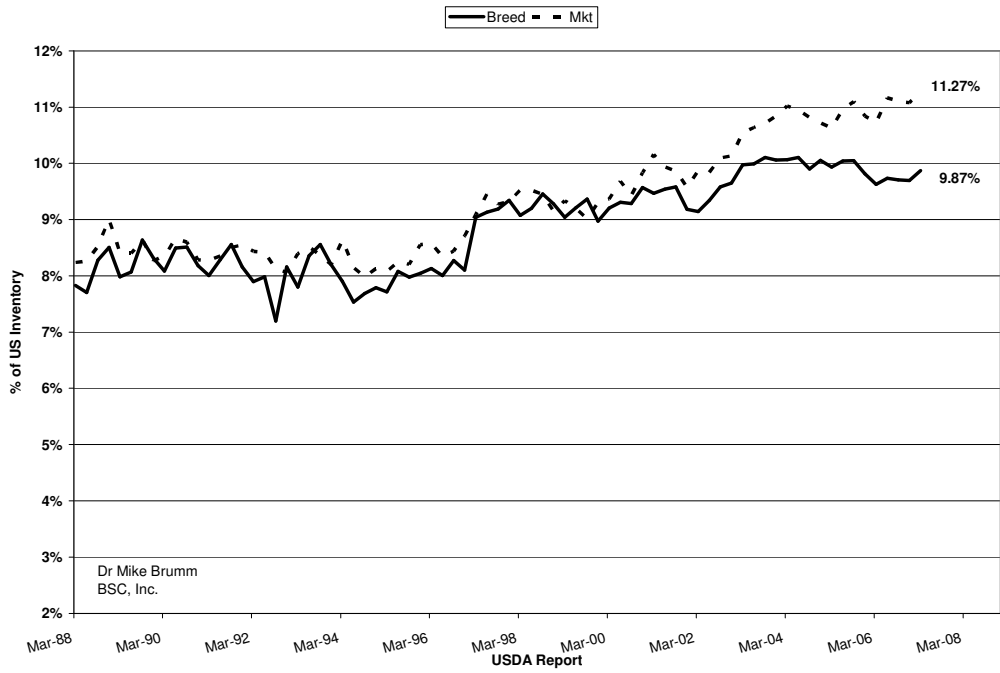
Nebraska's Share



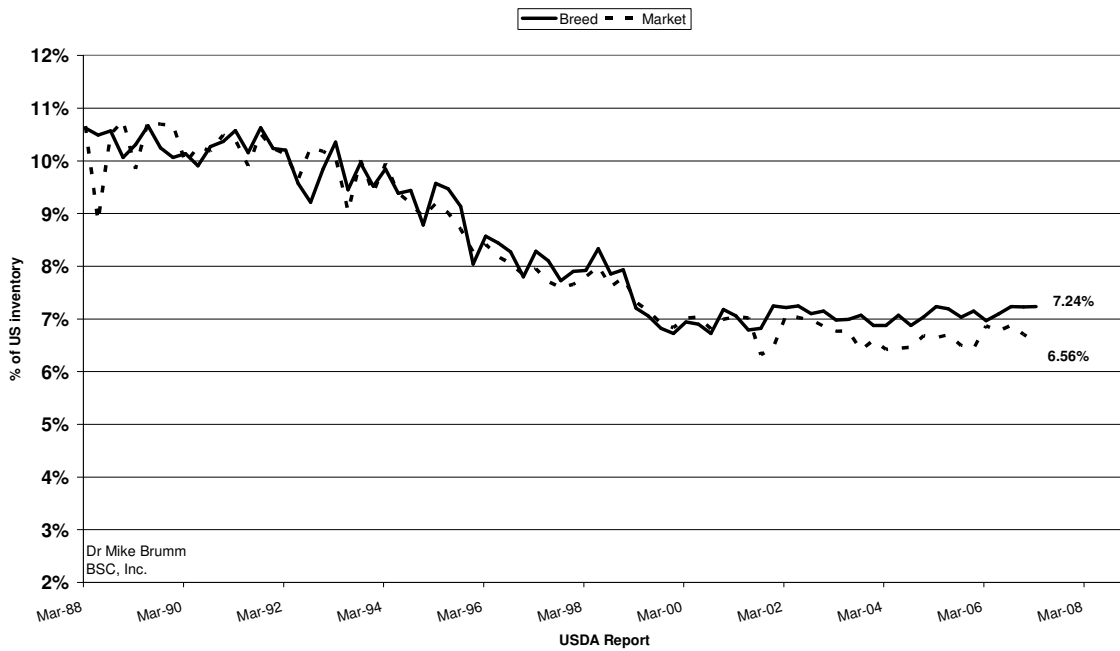
Iowa's Share



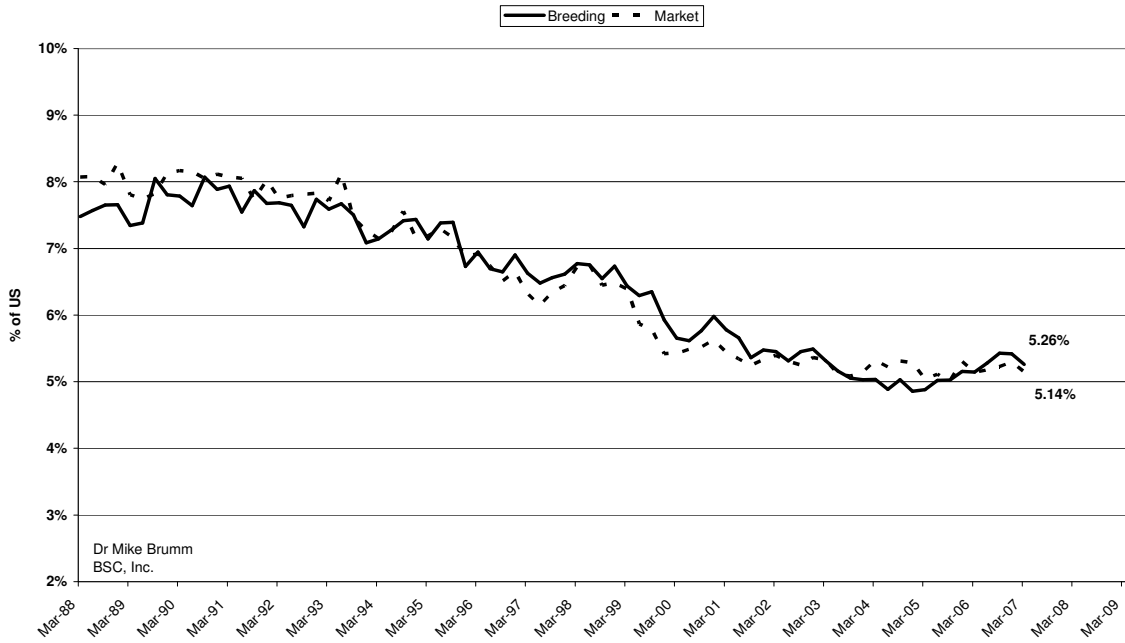
Minnesota's Share



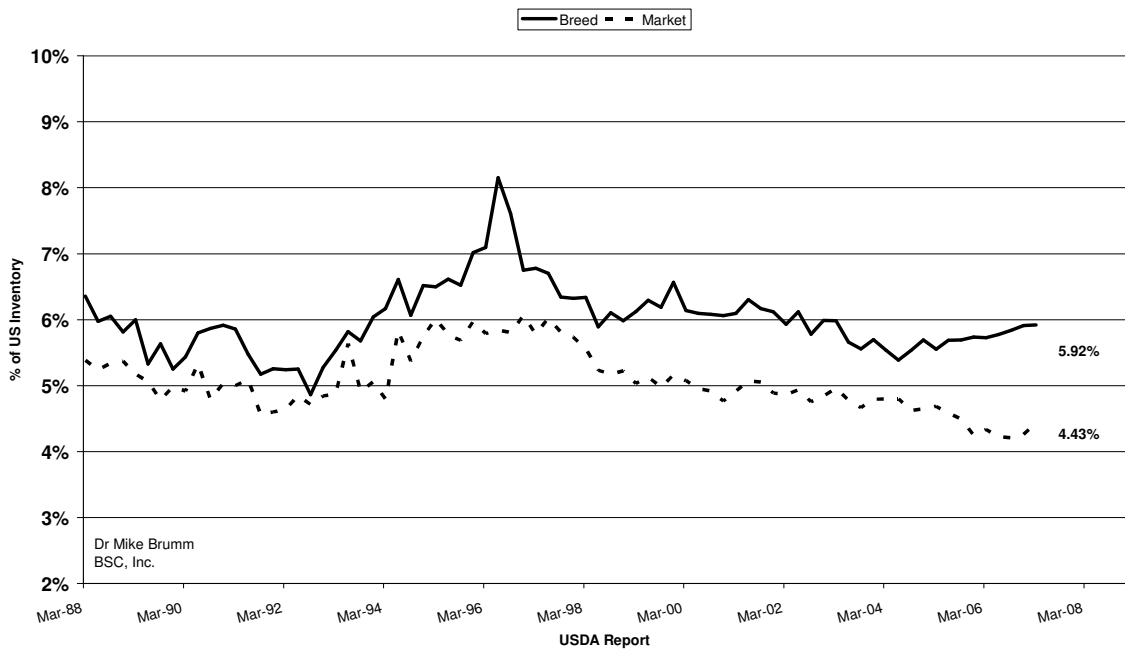
Illinois Share



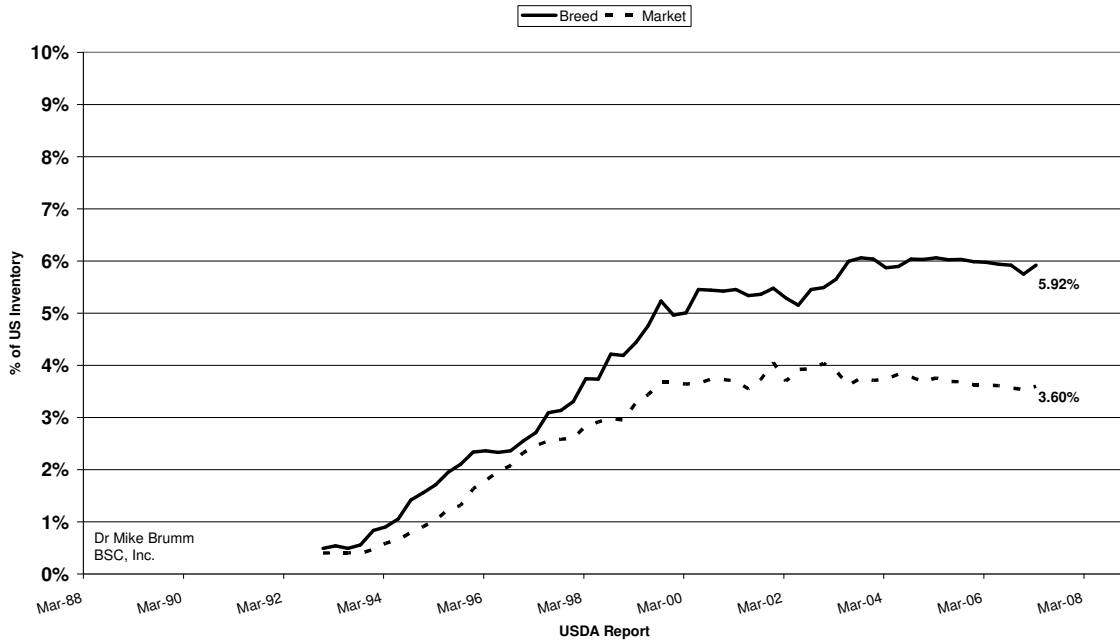
Indiana Share



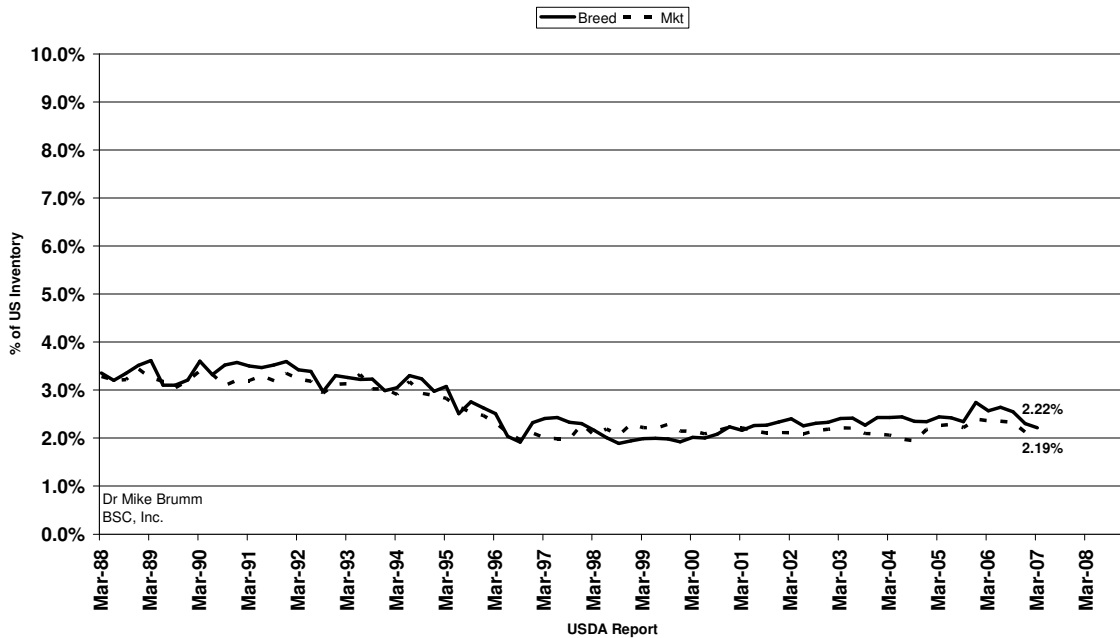
Missouri Share



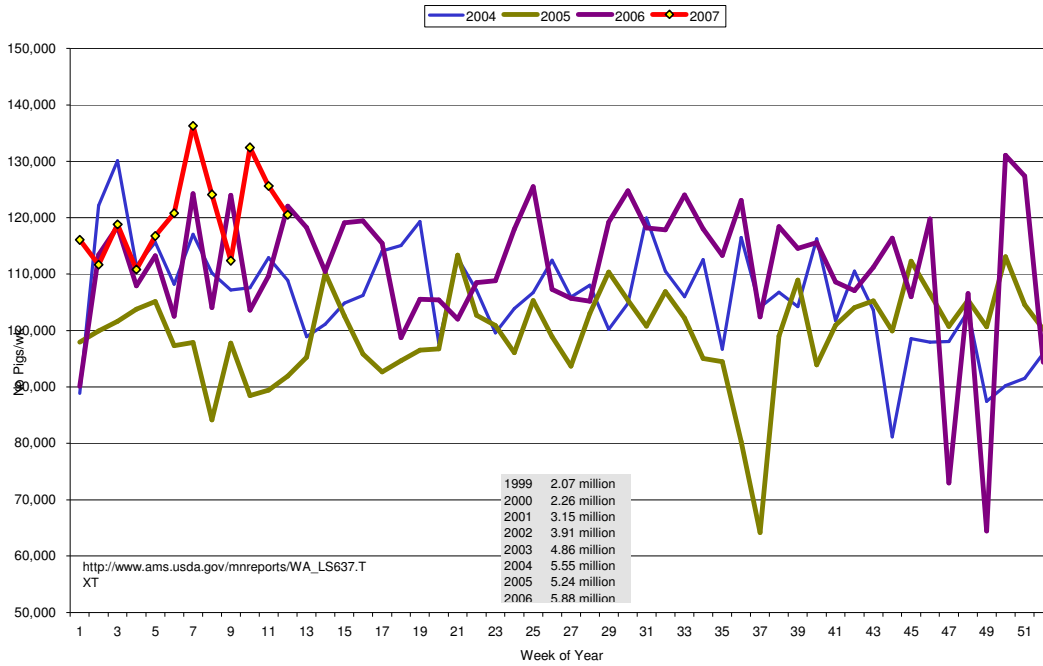
Oklahoma Share



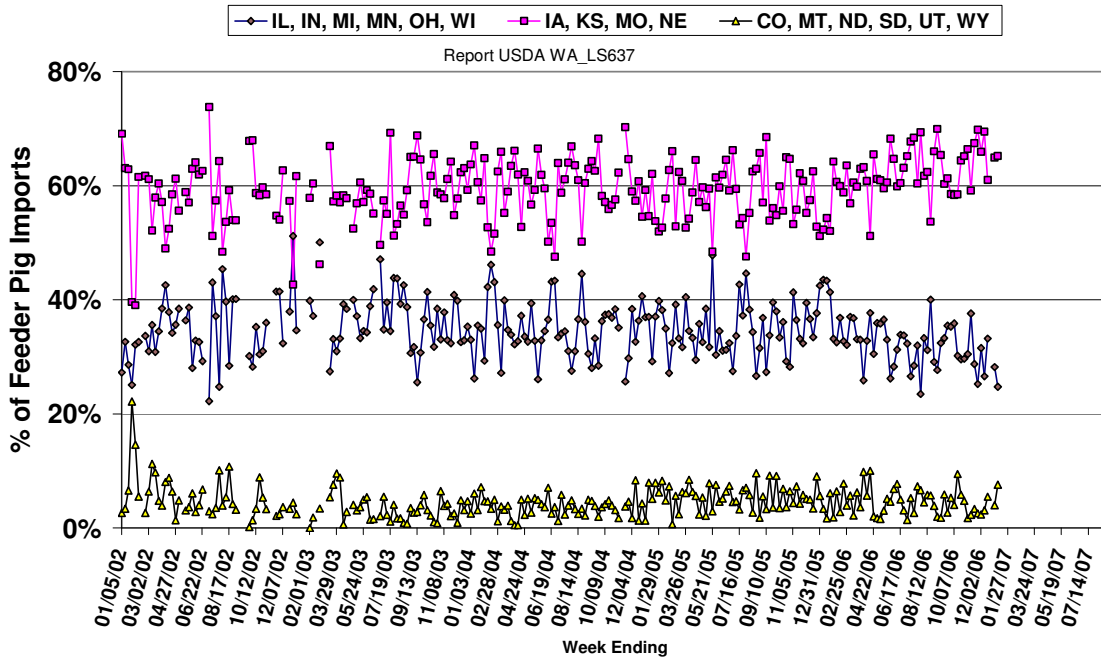
South Dakota's Swine Industry



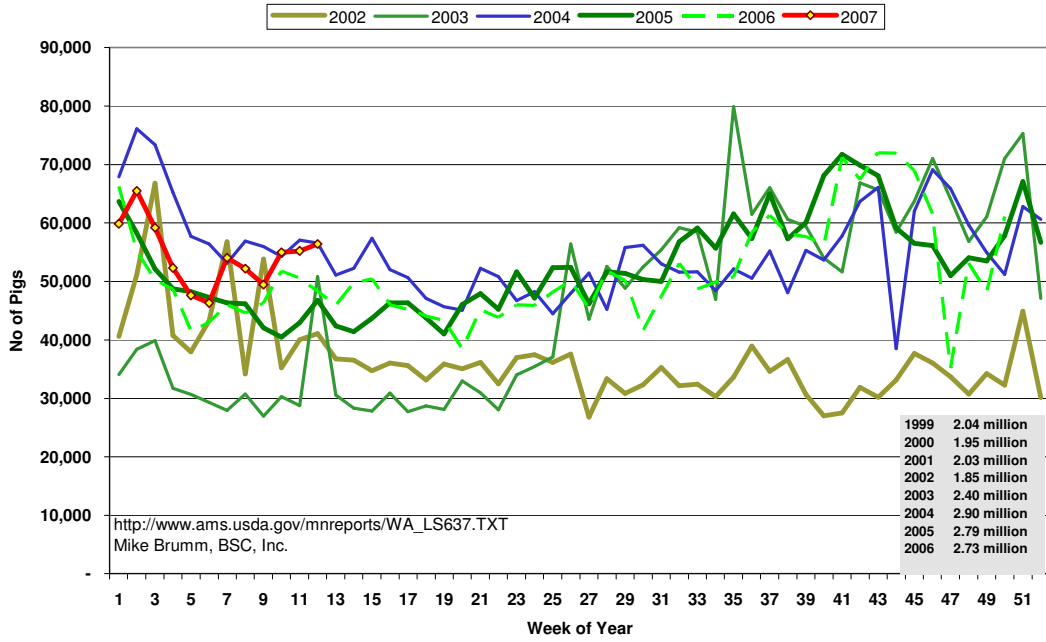
Canadian Feeder Exports to US



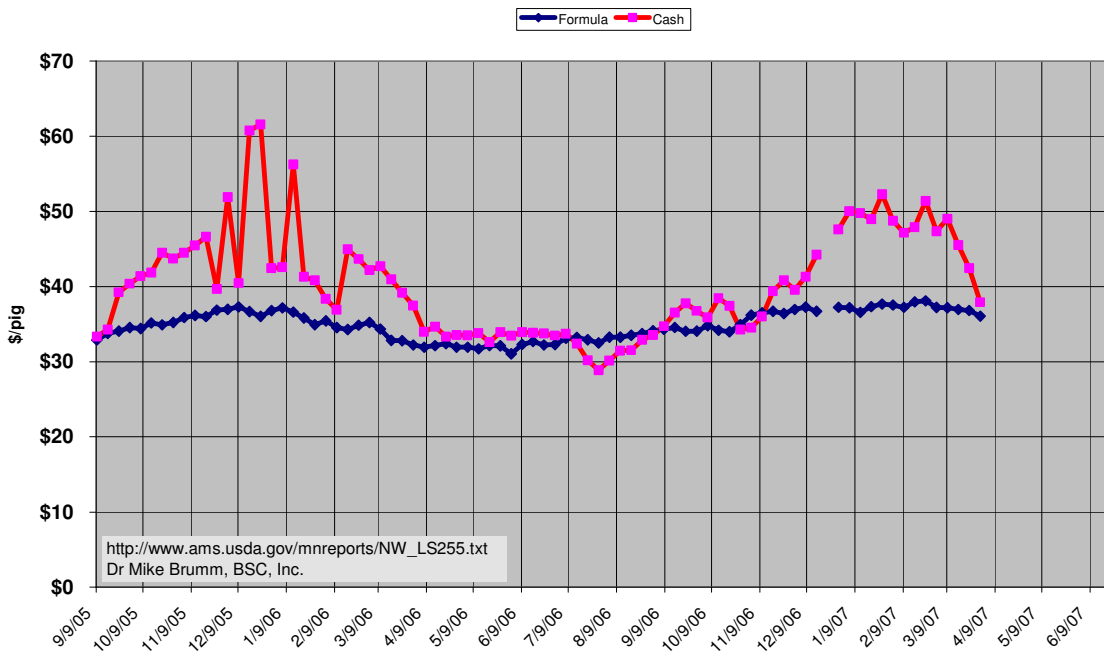
Canadian Feeder Pig Imports by Region



Canadian Slaughter Export to US Includes cull sows and boars



SEW Price, USDA



SEW 8 yr vs 2007 Delivered Price, USDA

