JUNE HOG MARKETS

WASHINGTON, D. C., JUNE 9, 1932.

A RADIO TALK BY C. A. BURMEISTER, BUREAU OF AGRICULTURAL ECONOMICS, DELIVERED THROUGH WRC AND 45 OTHER ASSOCIATE NBC RADIO STATIONS IN THE NATIONAL FARM AND HOME HOUR OF JUNE 9, 1932.

THE HOG MARKET SITUATION THIS SPRING HAS BEEN EXTREMELY DISCOURAGING TO HOG PRODUCERS. HOG PRICES DECLINED STEADILY FROM THE SECOND WEEK IN MARCH TO THE LAST WEEK IN MAY. DURING THIS ELEVEN WEEKS PERIOD THE AVERAGE WEEKLY PRICE AT CHICAGO DROPPED FROM $4.54 TO $3.19 PER 100 POUNDS AND THE DAILY TOP AT THAT MARKET DECLINED FROM $5.10 TO $3.35. AT THE LOW POINT, PRICES WERE AT THE LOWEST LEVELS IN MORE THAN 35 YEARS. A SLIGHT RECOVERY OCCURRED LAST WEEK AND EARLY THIS WEEK. THE HOG PRICE TREND SINCE EARLY JANUARY HAS BEEN VERY SIMILAR TO THAT OF THE FIRST FIVE MONTHS OF 1931, BUT THE LEVEL OF PRICES THIS YEAR HAS RANGED FROM ABOUT $3.20 TO $4.55 LOWER. LAST YEAR THE SPRING LOW WAS MADE THE FIRST WEEK IN JUNE WHEN THE CHICAGO WEEKLY AVERAGE DROPPED TO $5.94. THE CHICAGO AVERAGE FOR MAY THIS YEAR WAS $3.34, OR ONLY SLIGHTLY MORE THAN HALF OF THAT OF MAY LAST YEAR.

HOG SLAUGHTER UNDER FEDERAL INSPECTION LAST MONTH, TOTALING 3,940,000 HEAD, WAS THE THIRD LARGEST ON RECORD FOR MAY AND WAS ALMOST 16 PER CENT LARGER THAN IN MAY LAST YEAR. THE INCREASE OF MORE THAN 500,000 HEAD OVER MAY 1931, PLUS THE ACCUMULATED INCREASE FOR THE SEVEN MONTHS, OCTOBER TO APRIL, MAKES THE INCREASE IN TOTAL SLAUGHTER FOR THE FIRST EIGHT MONTHS OF THE CURRENT MARKETING YEAR OVER THE CORRESPONDING PERIOD OF THE PREVIOUS YEAR AMOUNT TO 2,226,000 HEAD OR 7 PER CENT. AVERAGE WEIGHTS IN MAY AT THE PRINCIPAL MARKETS WERE ABOUT THREE PER CENT LESS THAN IN MAY LAST YEAR.

THE EXPORT DEMAND FOR AMERICAN HOG PRODUCTS CONTINUES VERY WEAK AND PROMISES TO BE WEAK THROUGHOUT THE SUMMER. EUROPEAN HOG SLAUGHTER CONTINUES AT HIGH LEVELS AND IS NOT EXPECTED TO SHOW MUCH REDUCTION UNTIL NEXT WINTER. EXPORTS OF PORK IN APRIL WERE ALMOST ONE THIRD LESS THAN IN APRIL LAST YEAR AND WERE LESS THAN HALF THE 5- YEAR AVERAGE. LARD EXPORTS WERE 20 PER CENT SMALLER THAN IN APRIL LAST YEAR.

ALTHOUGH THE STATISTICS REGARDING STORAGE HOLDINGS OF PORK ON JUNE 1 ARE NOT YET AVAILABLE, INFORMATION AT HAND INDICATES THAT STOCKS ARE SLIGHTLY SMALLER THAN A YEAR EARLIER AND THAT LARD STOCKS ARE CONSIDERABLY LARGER. PACKERS APPARENTLY HAVE MADE SPECIAL EFFORTS TO MOVE PORK INTO CONSUMPTION AS RAPIDLY AS POSSIBLE IN ORDER TO AVOID ACCUMULATING HEAVY STOCKS FOR THE SUMMER TRADE.

THE PEAK IN THE MARKET MOVEMENT OF HOGS FROM THE FALL PIG CROP IS USUALLY REACHED IN LATE MAY OR EARLY JUNE, AND THEN SUPPLIES USUALLY FALL OFF UNTIL THE SECOND WEEK IN SEPTEMBER WHEN THE SPRING PIG CROP BEGINS TO MOVE TO MARKET. IT APPEARS NOW THAT THE PEAK IN THE MARKET MOVEMENT OF HOGS FROM THE CROP OF LAST FALL WAS REACHED IN MAY AND THAT THE SEASONAL TREND IN MARKETINGS WILL BE DOWNWARD UNTIL SOME TIME IN SEPTEMBER.

TOTAL SUPPLIES AVAILABLE FOR SLAUGHTER DURING THE NEXT FOUR MONTHS ARE INDICATED TO BE CONSIDERABLY LARGER THAN THOSE GOING TO SLAUGHTER IN THE CORRESPONDING PERIOD LAST YEAR. THE TIME WHEN THESE HOGS MOVE TO MARKET, AND HENCE THE TOTAL SLAUGHTER FOR THE SUMMER PERIOD, HOWEVER, WILL BE DETERMINED TO A LARGE EXTENT BY THE POLICIES FOLLOWED BY PRODUCERS WITH RESPECT TO FINISHING AND MARKETING THEIR HOGS. BECAUSE OF THE CURRENT LOW PRICES FOR HOGS MANY PRODUCERS MAY DECIDE TO CARRY THEIR HOGS ON PASTURE AND FATTEN THEM OUT ON GRAIN FOR THE FALL MARKET RATHER THAN FINISH THEM FOR THE SUMMER MARKET. IF THIS POLICY IS CARRIED OUT BY A LARGE PROPORTION OF HOG RAISERS, THE SUMMER SUPPLY WILL BE SMALLER THAN IT OTHERWISE WOULD WERE THE USUAL FEEDING AND MARKETING PLANS FOLLOWED, BUT IT WOULD RESULT IN INCREASING SUPPLIES FOR THE FALL MARKET.

LAST YEAR, SLAUGHTER SUPPLIES WERE UNUSUALLY SMALL IN JUNE, JULY AND AUGUST. SLAUGHTER IN JUNE LAST YEAR WAS THE SMALLEST FOR THE MONTH SINCE 1918. SLAUGHTER IN JULY WAS THE SMALLEST JULY SLAUGHTER SINCE 1920 AND AUGUST SLAUGHTER WAS THE SECOND SMALLEST FOR THAT MONTH SINCE 1920. SEPTEMBER SLAUGHTER LAST YEAR WAS ABOVE AVERAGE. IF THE DISTRIBUTION OF SLAUGHTER SUPPLIES DURING THE NEXT FOUR MONTHS SHOULD BE NORMAL AND HAVE THE NORMAL RELATIONSHIP TO THE SLAUGHTER OF THE LAST EIGHT MONTHS, WE COULD EXPECT THE TOTAL INCREASE IN SLAUGHTER FOR THE PERIOD OVER THE CORRESPONDING PERIOD LAST YEAR TO AMOUNT TO AROUND 1,500,000 HEAD OR ABOUT 13 PER CENT. HOWEVER, AS POINTED OUT, THE TOTAL SUPPLY AND ITS DISTRIBUTION WILL BE INFLUENCED TO SOME EXTENT BY THE ACTION TAKEN BY PRODUCERS WITH RESPECT TO THEIR FEEDING AND MARKETING PLANS.

RELEASED BY THE UNITED STATES DEPARTMENT OF AGRICULTURE FOR PUBLICATION JUNE 11, 1932.

B. F. MCCARTHY,
LOCAL REPRESENTATIVE.

F-6/11/32-10:A.M.