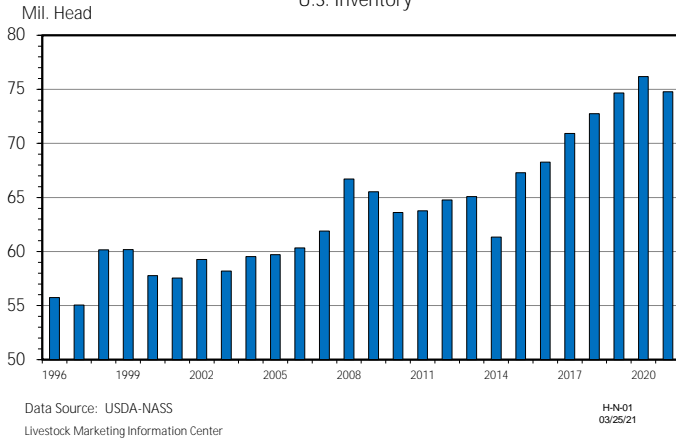


USDA NASS released the [March 1 Quarterly Hogs and Pigs](#) report yesterday which was lower than pre-report estimates discussed in the [March 24, 2021 DLR](#). The report showed All Hogs and Pigs were down 1.8% to 74.773 million head, which is opposite pre-report estimates expecting a marginal increase of 0.1%. Pre-report estimates expected the breeding herd to decline 1.1%, but the report showed a stronger than expected decrease of 2.5% to 6.215 million head.

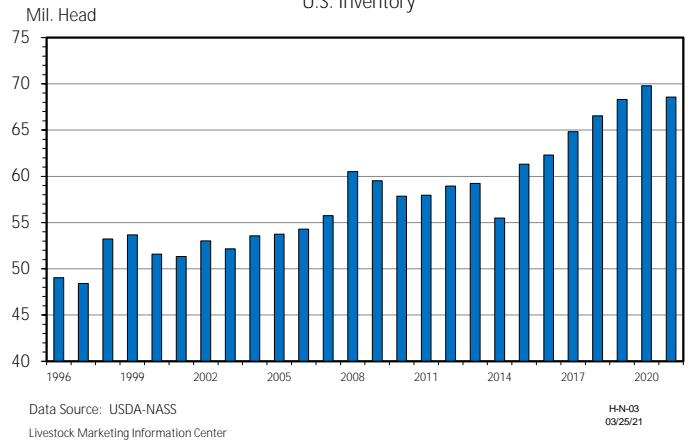
MARCH 1 ALL HOGS AND PIGS
U.S. Inventory



The March 1 market hogs inventory was down 1.8% to 68.558 million head, where pre-report estimates expected a 0.2% increase. Looking at the breakdown of market hogs by weight groups shows the 180-pounds and over category saw a 2.5% decrease to 13.446 million head which was within the range of industry expectations but stronger than the average trade guess which called for a 1.2% decline. The 120-179-pound group was also down 2.5% to 14.705 million head which is lower than the bottom range of estimates and opposite the average pre-report estimate which expected an increase of 0.5%. Similarly, the under 50- and 50-119-pound groups were both down 1.3% and 1.2%, respectively, to 21.288 and 19.118 million head, which is opposite average industry expectations of 0.6% and 0.4% increases. The lower-than-expected supplies of market hogs indicates inventory levels are tighter than anticipated which will have implications on slaughter levels in the near term. USDA NASS also made revisions to the December Hogs and Pigs, reducing market hogs by 190,000 head.

Sow farrowings for the December to February period were 3.041 million head, down 0.9% with pigs per litter also declining 0.5% to 10.94. Declines in both sow farrowings and pigs per litter during the period led to a 1.4% decrease in the pig crop to 33.270 million head. Average pre-report estimates for both categories were opposite of the report which

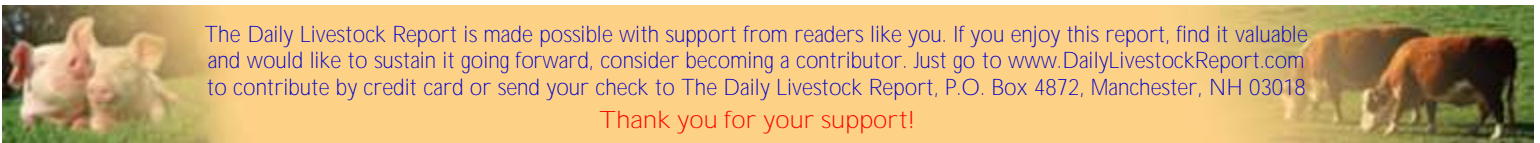
MARCH 1 MARKET HOGS
U.S. Inventory



expected marginal increases of 0.5% and 0.1%, respectively, for sow farrowings and pigs per litter with an expected increase of 0.7% in the pig crop. Also note that a decline in the December to February period pigs per litter has not occurred since 2014 (during PEDv) and may be an indication that disease issues over the winter could have been more severe than anticipated.

Pre-report estimates expected farrowing intentions to decline 0.8% for both the March to May and June to August periods. In the report, declines were much stronger than expected, even below the lowest range of pre-report estimates. The March to May and June to August farrowing intentions were down 2.5% and 4.2%, respectively, to 3.070 and 3.124 million head.

HOGS KEPT FOR BREEDING
Quarterly



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