

Weekly hog basis for IA/MN negotiated carcass weight hogs is typically the largest spread compared to the rest of the year against the June contract. Mid-March through mid-June weekly basis (cash minus futures) over the last five years has averaged -\$14.50 per cwt. May and July contracts are the next largest, both just over -\$12 per cwt.

This year the June basis has been smaller than historical standards. Mid-March saw less than -\$10 per cwt, compared to the normal -\$20 per cwt average in 2016-2020. April basis figures have widened but are still smaller than the five year average. The basis calculation shrinks as the contract reaches expiration but history suggests the basis will remain wider than -\$10 per cwt until the end of May.

The run-up in cash hog prices in 2022 is not all that different from last year's rally. The basis in 2021 during this timeframe was very small, and was only greater than -\$10 per cwt 2 weeks out of 14. For the June basis, 2021 cash averaged only about \$1 under the futures price from mid-March to mid-June.

IOWA / MINNESOTA AVERAGE HOG BASIS Negotiated Base Carcass ^{a,b}

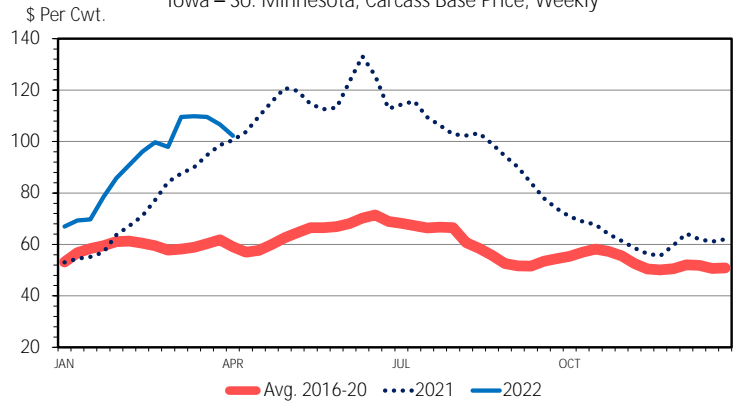
Week Ending	June						Avg. 16-20	Std Dev
	2017	2018	2019	2020	2021	2022		
03/12/22	-8.93	-16.59	-30.93	-27.80	-10.05	-4.84	-20.51	8.89
03/19/22	-11.31	-19.03	-30.37	-22.80	-10.45	-7.49	-20.86	6.87
03/26/22	-10.48	-21.40	-28.29	-12.38	-8.00	-11.88	-18.55	7.22
04/02/22	-10.91	-25.92	-18.36	-10.67	-7.28	-15.86	-16.79	6.31
04/09/22	-12.45	-27.44	-17.83	-6.70	-6.48	-12.39	-16.19	7.64
04/16/22	-16.15	-27.87	-20.87	-10.56	-1.42		-18.10	6.58
04/23/22	-15.92	-22.03	-17.79	-9.76	4.35		-15.79	4.60
04/30/22	-16.51	-16.24	-9.66	-13.94	7.61		-13.41	3.13
05/07/22	-12.48	-14.35	-8.93	-20.10	7.24		-13.20	4.39
05/14/22	-7.84	-14.92	-8.53	-26.94	9.69		-13.11	8.32
05/21/22	-7.05	-10.92	-7.48	-22.67	3.96		-10.59	7.10
05/28/22	-8.81	-9.49	-8.25	-17.88	-2.85		-10.03	4.62
06/04/22	-7.17	-8.67	-5.55	-19.87	-5.84		-9.46	5.94
06/11/22	-4.89	-3.39	-3.28	-16.34	2.90		-6.38	5.60

^a Through the week prior to the week in which the Chicago Mercantile Exchange's futures hog contract expired.

^b Hog Base is weekly weighted average negotiated carcass base price.

BARROW AND GILT PRICES

Iowa – So. Minnesota, Carcass Base Price, Weekly



Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

H-P-09
04/11/22

Cash hog prices have held together around \$100 per cwt for the last couple of weeks. This stalling matches pork cutout behavior detailed in Friday's DLR. An uptick in pork cutout would likely offer cash prices the support needed to continue to climb. IA-MN prices tipped over \$130 last year, as did the pork cutout. IA-MN compared to the U.S. national base price is usually slightly ahead. LMIC projects the second quarter national base price will average between \$105-\$108 which would indicate second quarter IA-MN prices will likely be \$3-\$7 higher than those values. The March 1 hogs and pigs report indicated tighter supplies than a year ago for this time of year, which implies cutout values may not need to reach the same levels as last year to achieve high cash values. Although an increase in the cutout would certainly help and is likely factored into these price projections.

The June lean hog contract, should normal basis trends hold, would expect to be \$10-\$14 higher than the IA-MN cash price through May and slightly wider through the end of April. Last week's trading activity saw a weekly average of \$117.39 per cwt, putting the basis closer to normal than in previous weeks since mid-March.

Should IA-MN prices reach ranges in the \$110-\$115 per cwt range, it would imply a June lean hog price in the low to high \$120s per cwt.

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PRODUCTION & PRICE SUMMARY

Week Ending 4/16/2022

Source: Various USDA Agricultural Marketing Service (Market News) reports. DATA ARE PRELIMINARY.

Item	Units	Current Week	Last Week	Pct. Change	Last Year	Pct. Change	YTD	Y/Y % Change
		16-Apr-22	9-Apr-22		17-Apr-21			
Beef, Pork, Chicken, & Turkey	Mil Lbs., cwe	1,929	1,975	-2.3%	1,928	0.1%	29,416	-0.8%
C FI Slaughter	Thou. Head	634	671	-5.5%	641	-1.0%	9,690	0.5%
A FI Cow Slaughter **	Thou. Head	135	141	-4.1%	116	16.8%	14,861	2.7%
T Avg. Dressed Weight	Lbs.	834	836	-0.2%	830	0.5%	837	0.2%
T Beef Production	Million Lbs.	527.7	559.6	-5.7%	530.5	-0.5%	8,111	0.8%
L Live Fed Steer Price, 5-Mkt	\$ per cwt	141.02	138.82	1.6%	122.03	15.6%		
E Dressed Steer Price, 5-Mkt	\$ per cwt	225.87	222.43	1.5%	195.54	15.5%		
Oklahoma Steer (600-700 lbs)	\$ per cwt	172.13	173.21	-0.6%	155.99	10.3%		
& Choice Beef Cutout	\$ per cwt	272.48	270.50	0.7%	273.42	-0.3%		
Hide/Offal	\$ per cwt, live wt	13.25	13.34	-0.7%	10.92	21.3%		
B Rib, Primal, Choice	\$ per cwt	428.75	421.33	1.8%	468.43	-8.5%		
E Round, Primal, Choice	\$ per cwt	222.26	222.99	-0.3%	197.06	12.8%		
E Chuck, Primal, Choice	\$ per cwt	211.00	210.10	0.4%	204.64	3.1%		
F Trimings, 50%, Fresh	\$ per cwt	124.78	132.94	-6.1%	96.77	28.9%		
Trimings, 90%, Fresh	\$ per cwt	280.21	282.45	-0.8%	235.65	18.9%		
H FI Slaughter	Thou. Head	2,347	2,425	-3.2%	2,453	-4.3%	36,747	-6.1%
H FI Sow Slaughter **	Thou. Head	62.5	58.1	7.5%	58.0	7.7%	7,241	0.9%
O Avg. Dressed Weight	Lbs.	218.0	218.0	0.0%	217.0	0.5%	218	0.1%
G Pork Production	Million Lbs.	512.7	529.5	-3.2%	532	-3.6%	8,026	-6.0%
S Natl. Negotiated Purchase	Wtd. Avg.	98.43	100.52	-2.1%	102.20	-3.7%		
Natl. Base Carcass Price	Wtd. Avg.	97.40	97.69	-0.3%	98.96	-1.6%		
& Natl. Net Carcass Price	Wtd. Avg.	99.22	99.51	-0.3%	100.91	-1.7%		
Natl. Early Wean Feeder	10-12 Lbs.	59.26	59.57	-0.5%	50.04	18.4%		
P Pork Cutout	\$ per cwt	108.22	104.12	3.9%	111.63	-3.1%		
O By-product Value	\$ per cwt, live wt	5.49	5.56	-1.3%	4.82	13.9%		
R Ham, Primal	\$ per cwt	82.85	76.59	8.2%	92.04	-10.0%		
K Loin, Primal	\$ per cwt	100.38	98.19	2.2%	96.34	4.2%		
Belly, Primal	\$ per cwt	188.62	182.06	3.6%	189.74	-0.6%		
Trimings, 72%, Fresh	\$ per cwt	110.43	104.94	5.2%	127.84	-13.6%		
C Young Chicken Slaughter *	Million Head	164.5	165.3	-0.5%	161.36	1.9%	2,448	1.6%
H Avg. Weight (RTC)	Lbs.	4.80	4.75	1.0%	4.78	0.3%	4.82	0.1%
I Young Chicken Production (RTC)	Million Lbs.	788.7	785.2	0.4%	771.4	2.2%	11,798	1.6%
C Eggs Set (US)	Million	239.3	240.4	-0.5%	237.1	0.9%	27,961	1.3%
K Chicks Placed (US)	Million Head	187.9	187.5	0.2%	187.9	0.0%	22,035	-0.1%
E National Composite Whole Bird	Composite	166.90	164.12	1.7%	99.95	67.0%		
N Northeast Breast, B/S	\$ per cwt	296.80	288.49	2.9%	168.54	76.1%		
Northeast Leg Quarters	\$ per cwt	43.48	41.5	4.8%	44.46	-2.2%		
T Total Turkey Slaughter *	Million Head	3.98	3.84	3.5%	3.64	9.4%	55.9	1.7%
U Avg. Weight (RTC)	Lbs.	25.16	26.23	-4.1%	25.80	-2.5%	26.50	-1.0%
R Turkey Production (RTC)	Million Lbs.	100.0	100.7	-0.7%	93.8	6.6%	1,481	0.6%
K National Hen (8-12 Lbs)	\$ per cwt	137.00	136.87	0.1%	113.00	21.2%		
G Corn, Omaha	\$ per Bushel	8.00	7.66	4.4%	5.91	35.5%		
R Distillers Grain, IA	\$ per Ton	294.00	294.00	0.0%	NQ	N/A		
A Soybean, Cntrl IL	\$ per Bushel	16.96	16.55	2.5%	14.57	16.4%		
I Soybn Meal 48%, Cntrl IL	\$ per Ton	481.90	488.70	-1.4%	396.00	21.7%		

* Chicken & turkey slaughter & production are 1 week earlier than the date at the top of this sheet.

** Cow and sow slaughter reflect levels from two weeks ago (part of 'actual' rather than 'preliminary' weekly slaughter report).

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