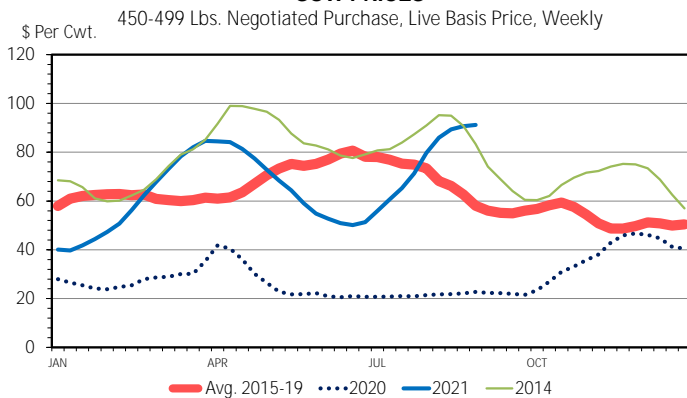


In June, the [DLR](#) reported on sow prices (450-499 lbs. negotiated purchase, live) starting out the year strong and reaching over \$80 per cwt in late-March and early-April before dropping to about \$50 per cwt by mid-June. The dip in sow prices during the summer months was a counter seasonal move lower, but prices have since taking another strong move higher.

Last week sow prices were \$91.19 per cwt, a staggering four-fold increase from the same week last year and an 81.8% increase from the low in mid-June. This is the highest sow price for the year and the highest price since August 2014. For comparison, the graph below includes 2014 sow prices which shows that this year's prices are following a similar pattern. If this year does follow 2014's pattern, then prices may start to moderate lower in the weeks to come which is also typical of the five-year average.

SOW PRICES

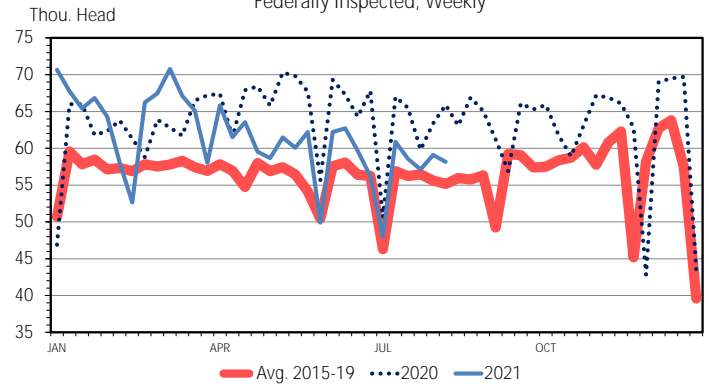


Data Source: USDA-AMS, Compiled by LMIC
Livestock Marketing Information Center

The strength in sow prices is partially tied to sow slaughter which, year-to-date through mid-August, has been tracking 4.6% below a year ago. It is necessary to point out that 2020 sow slaughter totaled just over 3.3 million head, the highest in more than a decade. Comparison to the five-year average shows that year-to-date sow slaughter is tracking 8.2% above the same period. The continued pace of sow slaughter is indicating that producers may be taking the economic incentive of higher sow prices to refresh the herd with gilts. The June 1 Hogs and Pigs report showed the breeding herd was down 1.5% with farrowing intentions expected to be down 4.4% and 1.8%, respectively, for the June-August and September-November periods. Based on year-to-date sow slaughter, farrowings will be an item of interest in the

SOW SLAUGHTER

Federally Inspected, Weekly



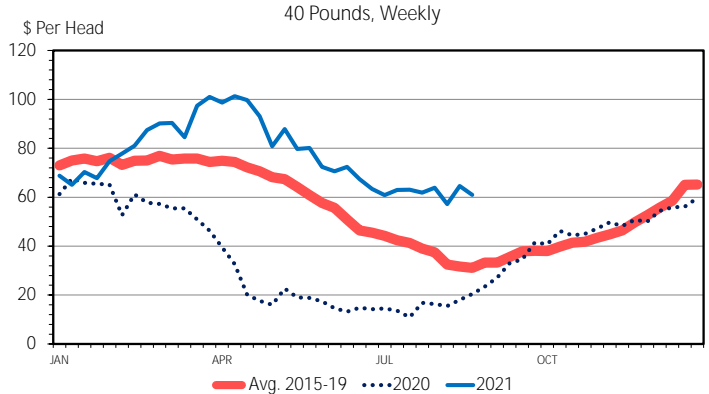
Data Source: USDA-AMS & USDA-NASS
Livestock Marketing Information Center

H-S-15
08/2021

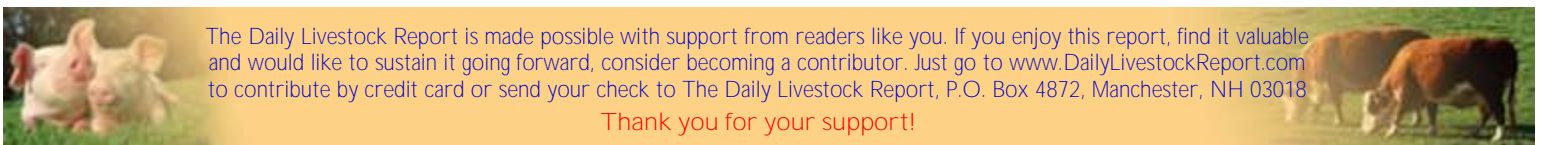
September 1 Hogs and Pigs report which is scheduled to be released on September 24.

The supply factors of continued sow slaughter, lower farrowing intentions, and disease pressure (e.g., PRRS) early in the year are pointing towards tighter than normal available hogs supplies in the near term. This has supported by feeder pig prices above typical levels in recent weeks. The 10-12 lbs. feeder pig price was \$45.00 per head last week, more than double last year and 58.1% higher than the five-year average. Last week's 40 lbs. feeder pig price was \$60.93 per head, a nearly three-fold increase from last year and almost double the five-year average.

FEEDER PIG PRICES



Data Source: USDA-AMS
Livestock Marketing Information Center



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