

## December 1, 2006 USDA Hogs and Pigs Report

### Commentary

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Table 1 provides an interesting look at where pigs were farrowed and weaned in the US for the previous 12 months (December 1, 2005 thru November 30, 2006). For this 12 month period, there were 105,423,000 pigs weaned in the US. As of the week ending December 23, 2006, producers in the US imported 5,706,968 feeder pigs weighing 55 kg or less into the US from Canada in 2006. In other words, Canada farrowing houses were the 8<sup>th</sup> largest contributor of feeder pigs to finishing facilities in the US.

Table 1. Pig Crop, December 2005 - November 2006

All states with over 1,000,000 pig crop

State	Pig Crop (000 hd)	% of 2005	% of US
N Carolina	20,076	102%	19.0%
Iowa	16,561	103%	15.7%
Minnesota	10,223	99%	9.7%
Illinois	7,422	101%	7.0%
Oklahoma	6,632	97%	6.3%
Nebraska	6,514	103%	6.2%
Missouri	6,109	99%	5.8%
Indiana	4,858	101%	4.6%
Kansas	3,007	104%	2.9%
Ohio	2,967	105%	2.8%
Colorado	2,920	106%	2.8%
S Dakota	2,914	104%	2.8%
Michigan	1,768	105%	1.7%
Pennsylvania	1,685	95%	1.6%
Texas	1,664	103%	1.6%
Arkansas	1,543	94%	1.5%
Utah	1,401	106%	1.3%
US	105,423	101%	

Figure 1 has the destination of the Canadian imported feeder pigs for every week since January 1, 2002. Iowa farrowed 15.7% of the pig crop in the US for the past 12 months and had 28.75% of the finishing inventory on December 1, 2006. With a difference of 13% between farrowed and kept for market inventory, it follows that a majority of the imported pigs end up on Iowa farms. The uptrend in the percentage of pigs going to the Iowa, Kansas, Missouri and Nebraska region since June 1, 2006 also

suggests that producers in this region (again presumed to be mostly Iowa based) have an increased need for pigs to fill finishing facilities and are meeting this need with Canadian born pigs.

As readers can note from the following charts, Minnesota is another state that is increasing its reliance on pigs not born in-state to fill finishing facilities. This is evident by the growing spread between the % of the US Kept for Breeding Inventory and the Kept for Market Inventory.

In addition to Canada, where are these pigs coming from? The data suggests that Nebraska and Oklahoma continue to farrow more pigs than they finish to slaughter weight each year. North Carolina and Missouri are other major production states that farrow more pigs than they finish.

Also worthy of note is the continued steady growth in the % of the US Kept for Finishing Inventory in Iowa (now at 28.75%), Minnesota (11.08%) and Indiana (5.42%). While Nebraska appears to have halted its loss in pig numbers, there continues to be a decline in finishing pig numbers (when expressed as a percentage of the US inventory) in North Carolina, Missouri and Oklahoma. North Carolina declined from a peak of 17.56% of the US market inventory on March 1, 1997 to 15.14% in the latest report. Missouri declined from 6.06% on December 1, 1996 to 4.26% in this report and Oklahoma declined from 4.05% on December 1, 2001 to 3.53% this December.

December 1, 2006 Hogs and Pigs Inventory

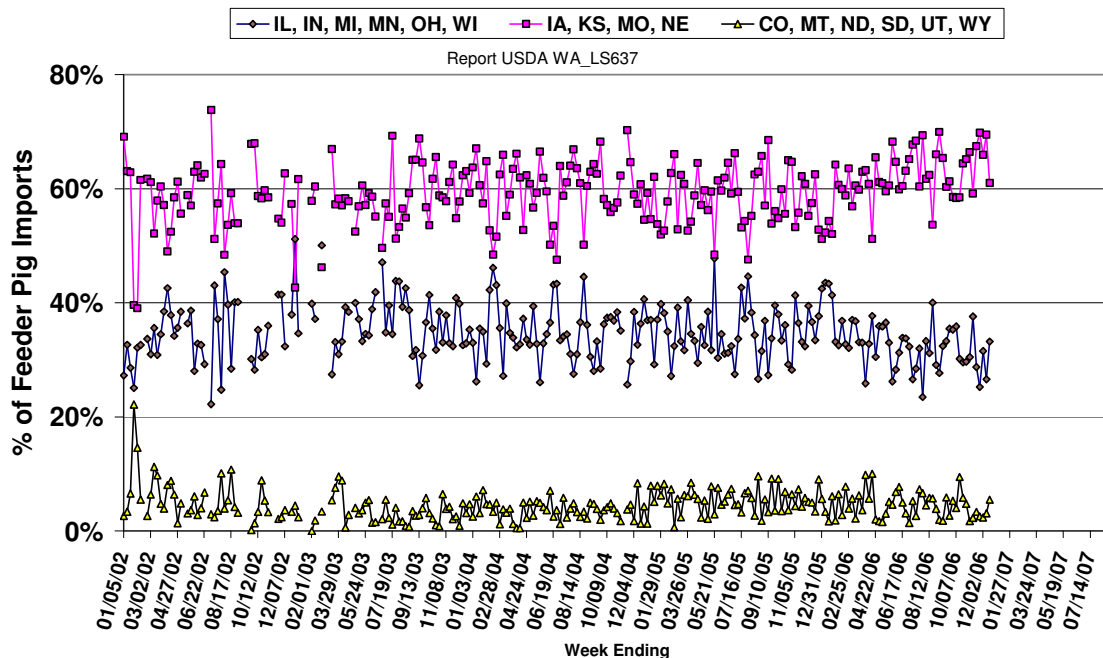
State	Breeding	Market 000 hd	Total
Iowa	1,080	16,120	17,200
N Carolina	1,010	8,490	9,500
Minnesota	590	6,210	6,800
Illinois	440	3,760	4,200
Indiana	330	2,970	3,300
Nebraska	365	2,635	3,000
Missouri	360	2,390	2,750
Oklahoma	350	1,980	2,330
Kansas	170	1,670	1,840
Ohio	170	1,510	1,680
S Dakota	140	1,190	1,330
Pennsylvania	105	965	1,070
Michigan	110	890	1,000

Dr Steve Meyer, in his Daily Livestock Report from the Chicago Mercantile Exchange dated December 27 noted that the slight growth in the US breeding herd must be considered in light of any changes in the Canadian inventory. For example, from the June 1 USDA report to the September 1 report, US producers added 19,000 females to the breeding inventory. This was offset by a decline of 19,800 females in the Canadian breeding inventory between July 1 and October 1, meaning the combined inventory was stable for the fall farrowing period.

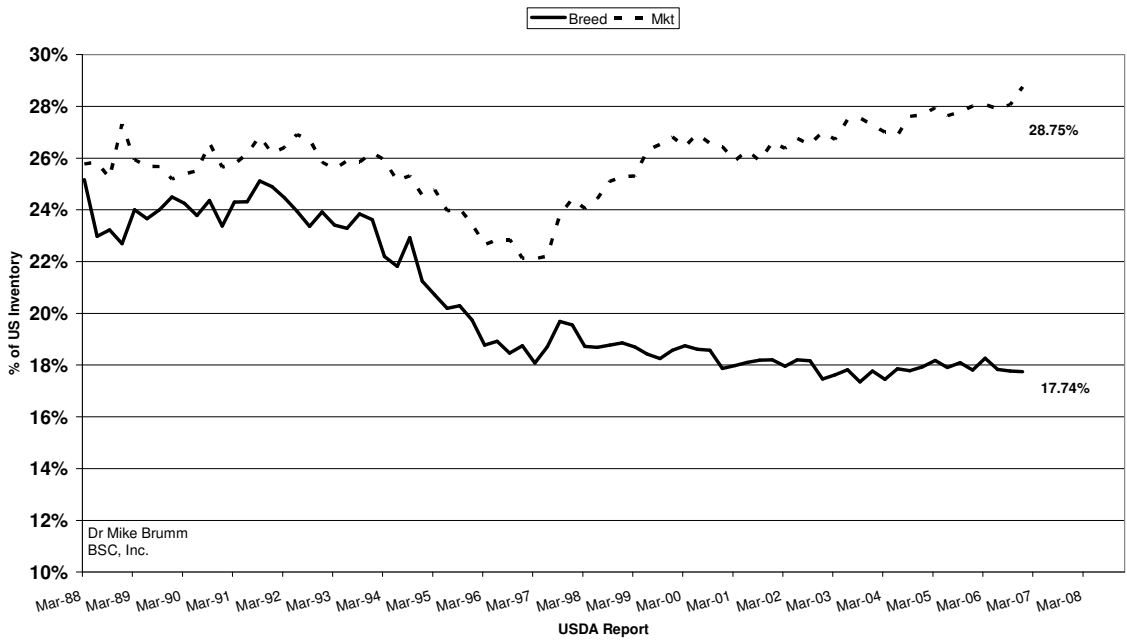
In this USDA report, the total breeding herd inventory increased by 9,000 head from the September 1 report. The Canadians will inventory their herd as of January 1. When combined with the relative non-growth in US inventory it is expected that a continued decline in their breeding herd inventory will result in an overall decline in the combined US-Canada breeding herd. While female productivity continues to increase in both countries, a decline in inventory suggests very limited growth in pigs grown for slaughter in the coming months versus the previous year.

While I have retired from the University of Nebraska and relocated to Minnesota, I continue to follow with interest the industry in Nebraska. In past commentaries I have often cited the decline in the Nebraska industry relative to the US industry. Thus, the recent stability and even modest growth in that states finishing inventory is heartening.

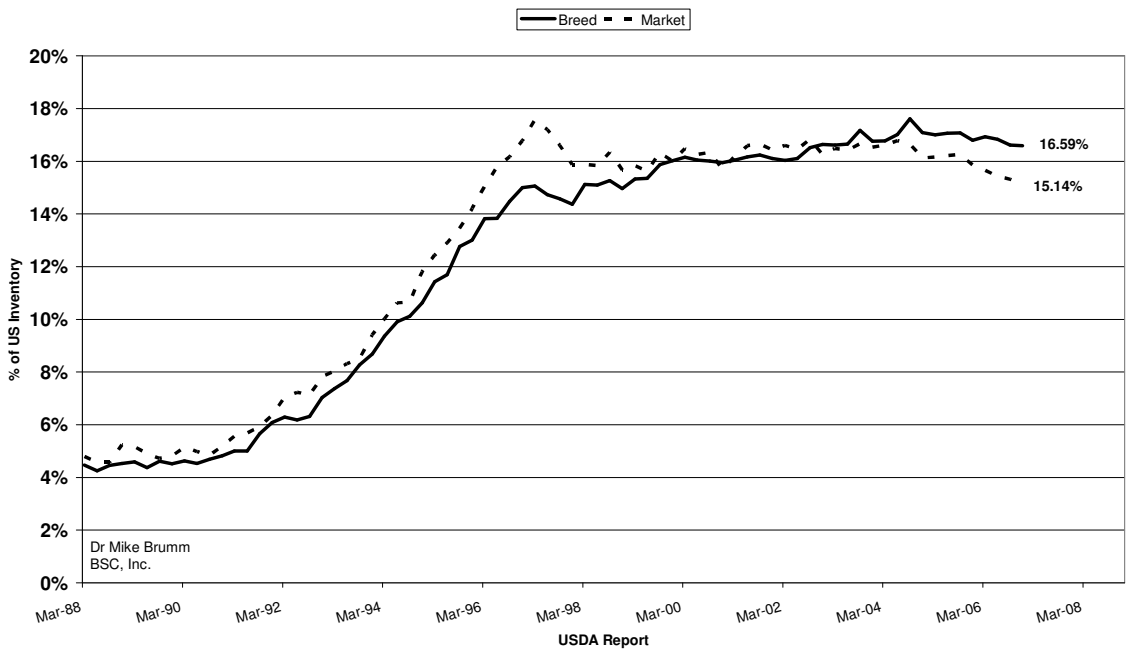
## Canadian Feeder Pig Imports by Region



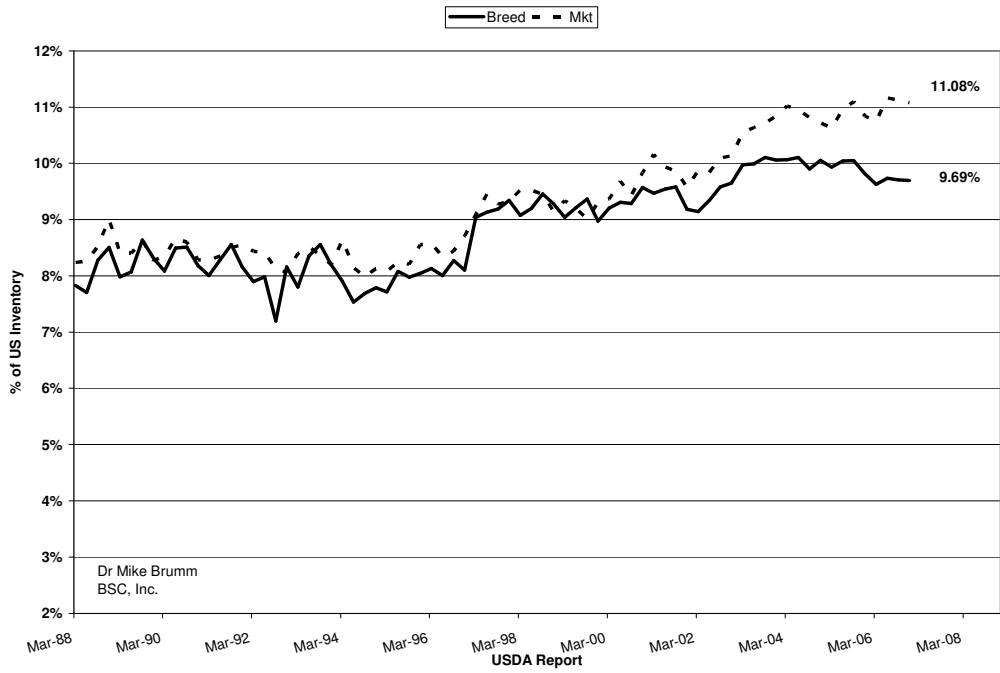
## Iowa's Share



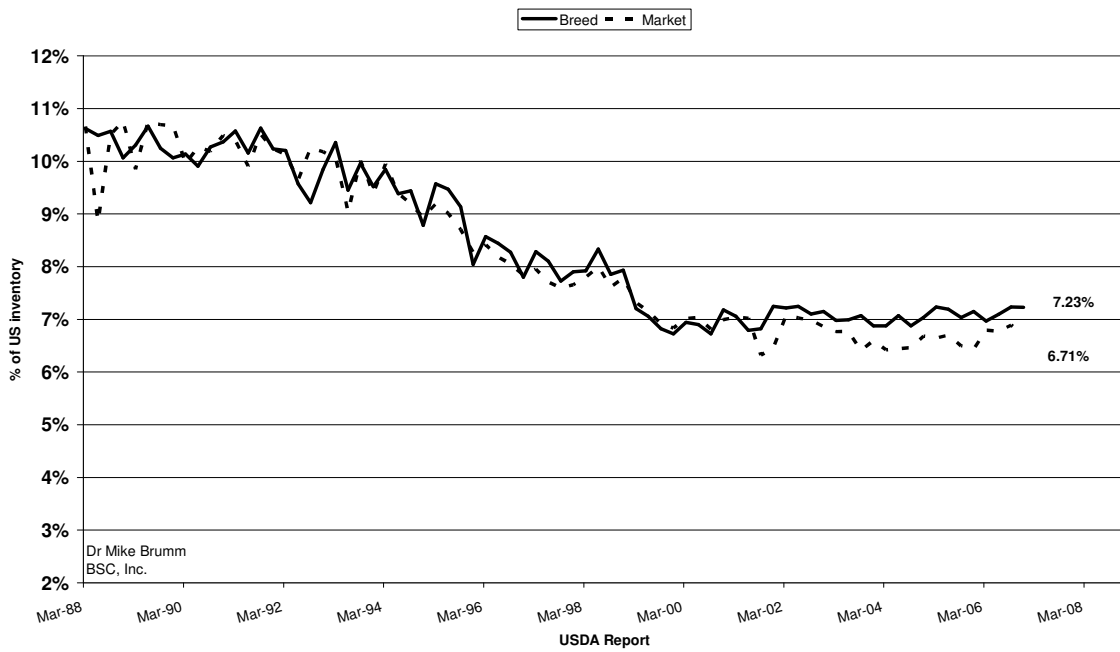
## N Carolina Share



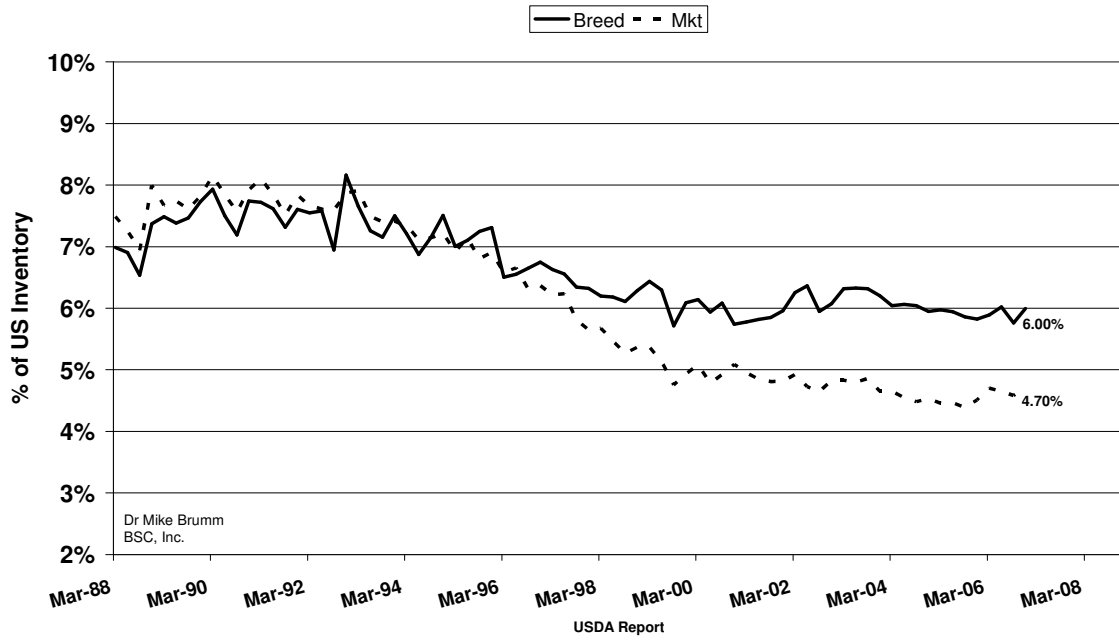
### Minnesota's Share



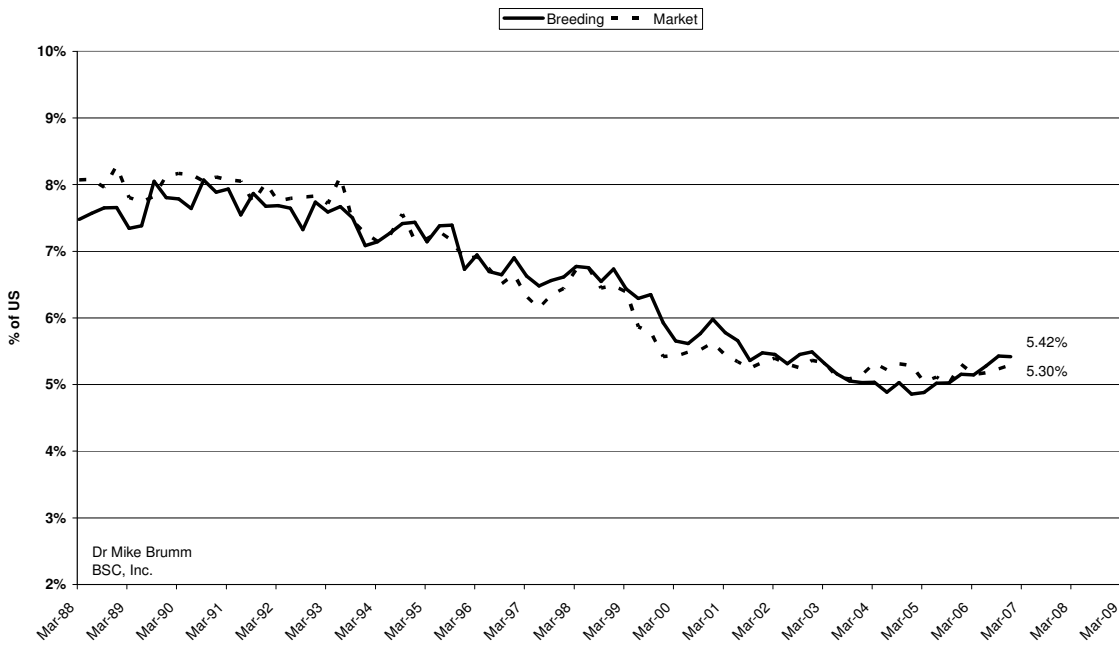
### Illinois Share



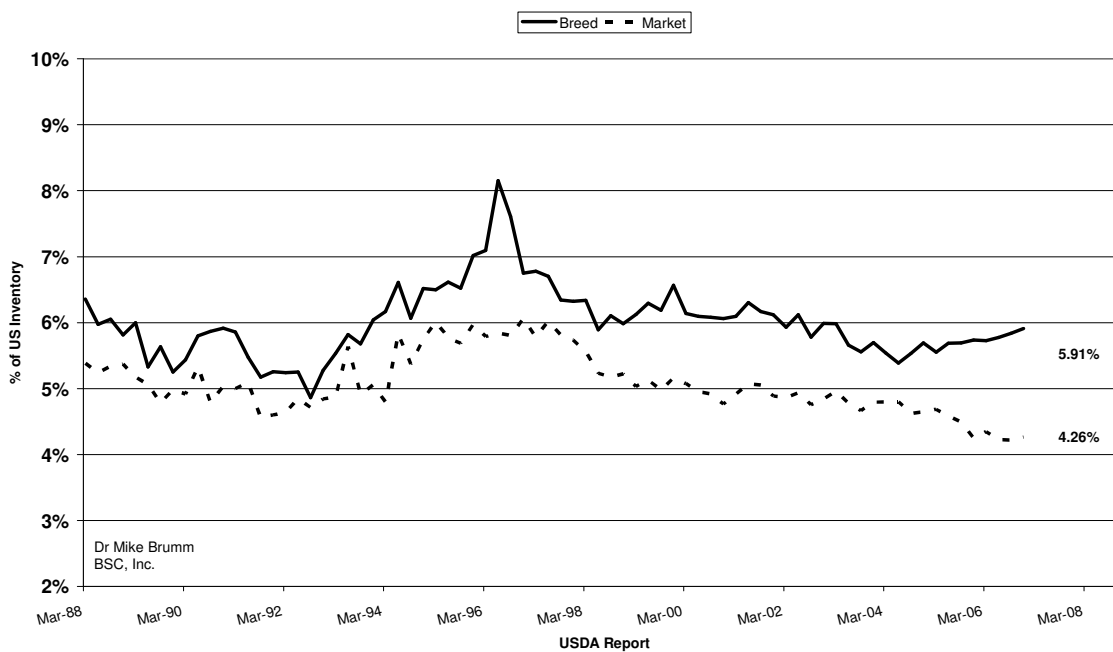
## Nebraska's Share



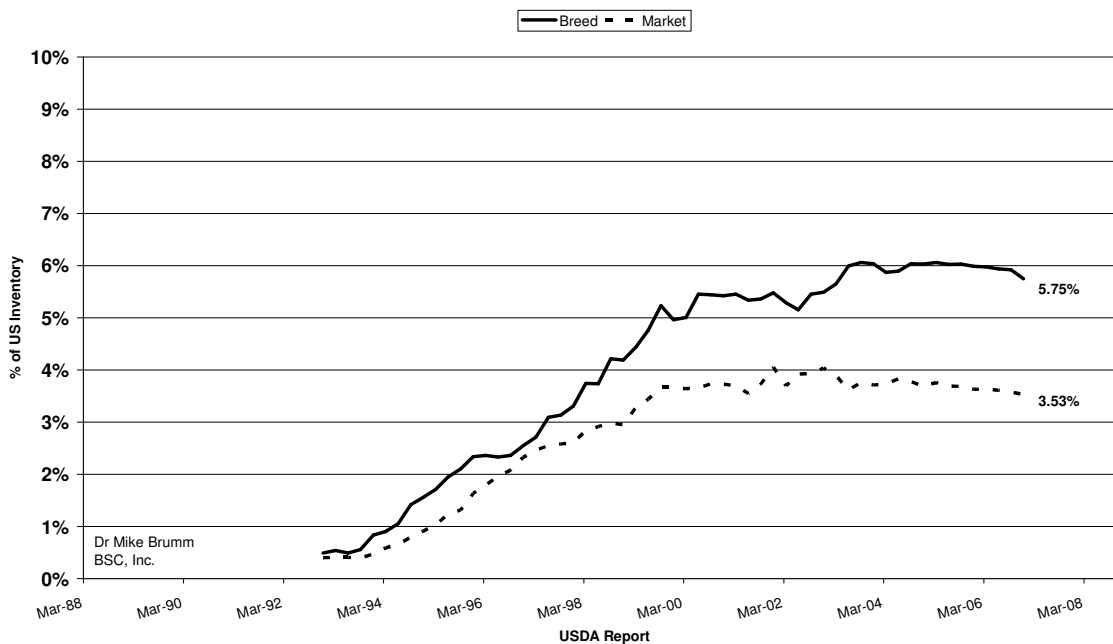
## Indiana Share



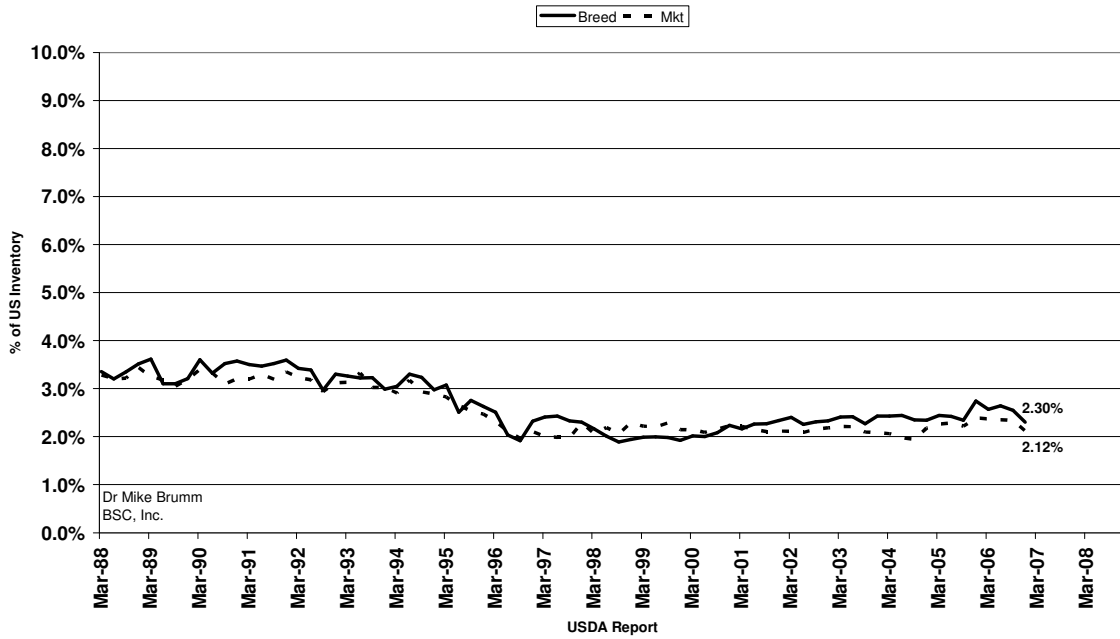
## Missouri Share



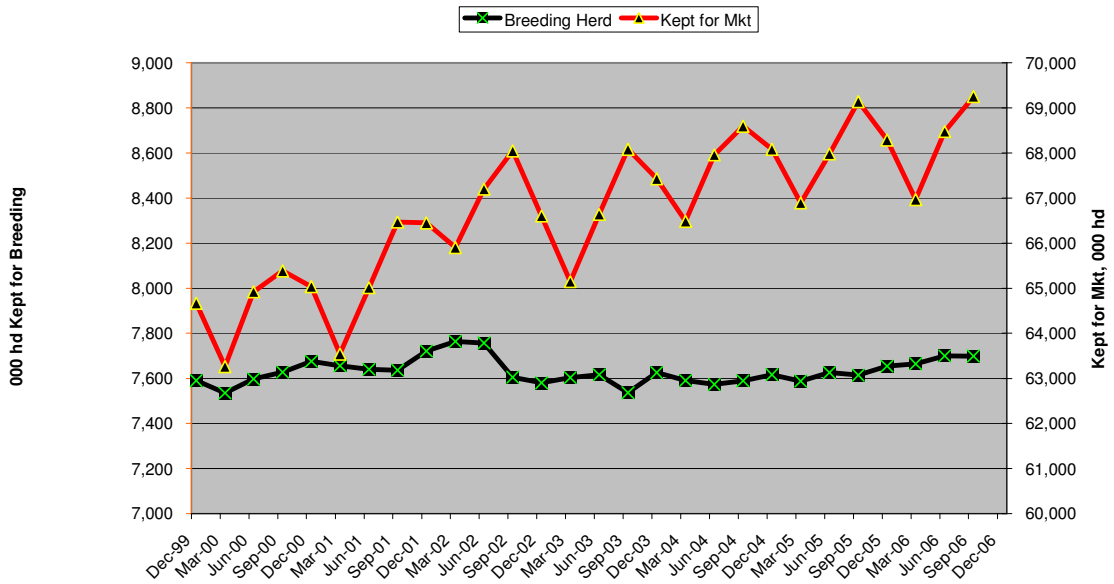
## Oklahoma Share



# South Dakota's Swine Industry



## Combined N American Inventory

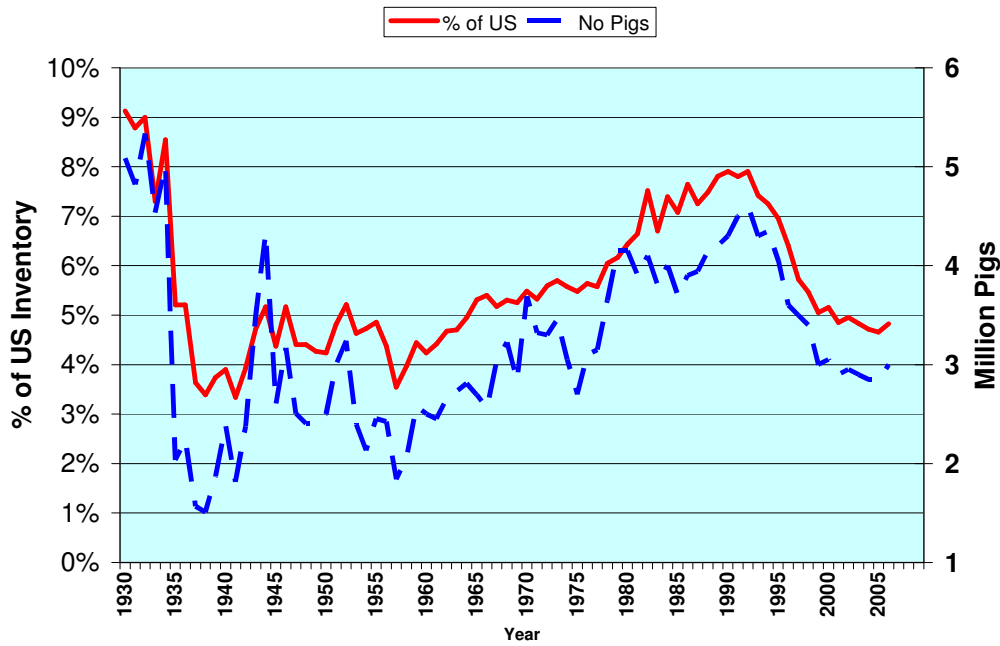


	Dec-99	Mar-00	Jun-00	Sep-00	Dec-00	Mar-01	Jun-01	Sep-01	Dec-01	Mar-02	Jun-02	Sep-02	Dec-02	Mar-03	Jun-03	Sep-03	Dec-03	Mar-04	Jun-04	Sep-04	Dec-04	Mar-05	Jun-05	Sep-05	Dec-05	Mar-06	Jun-06	Sep-06	Dec-06	
Breeding Herd	7590	7536	7598	7627	7676	7658	7640	7637	7721	7764	7757	7605	7580	7604	7616	7536	7628	7591	7573	7589	7617	7588	7626	7614	7655	7666	7700	7699		
Kept for Mkt	6466	6326	6492	6538	6503	6354	6501	6646	6644	6590	6719	6804	6660	6514	6663	6808	6742	6648	6796	6859	6808	6689	6798	6914	6829	6697	6847	6925		

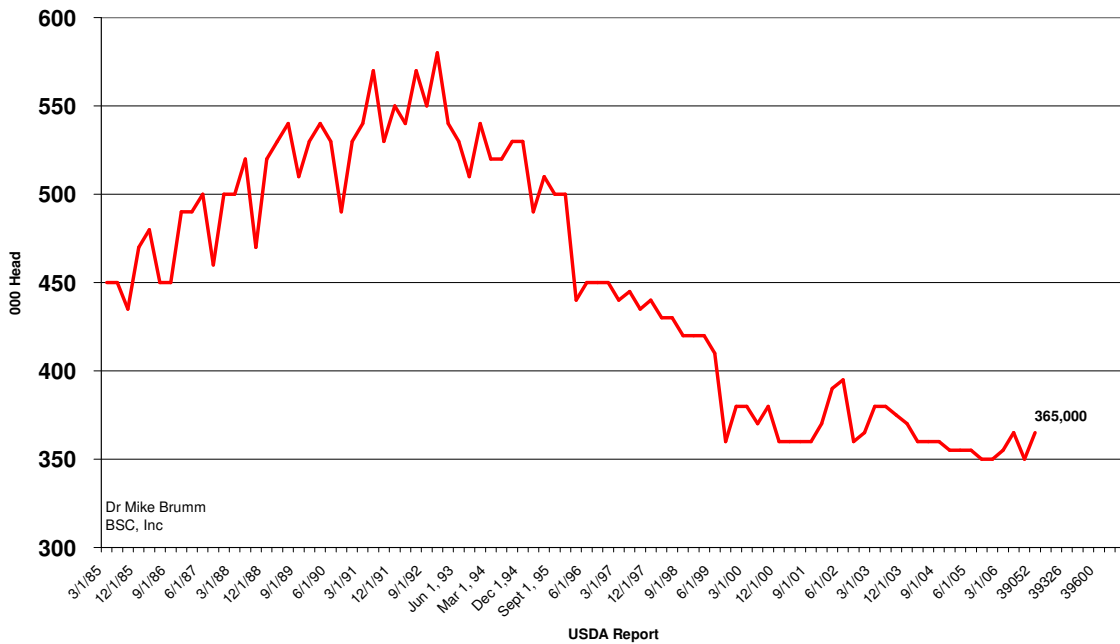
USDA Report (+1 mo for CA)

# NE's Industry in Perspective

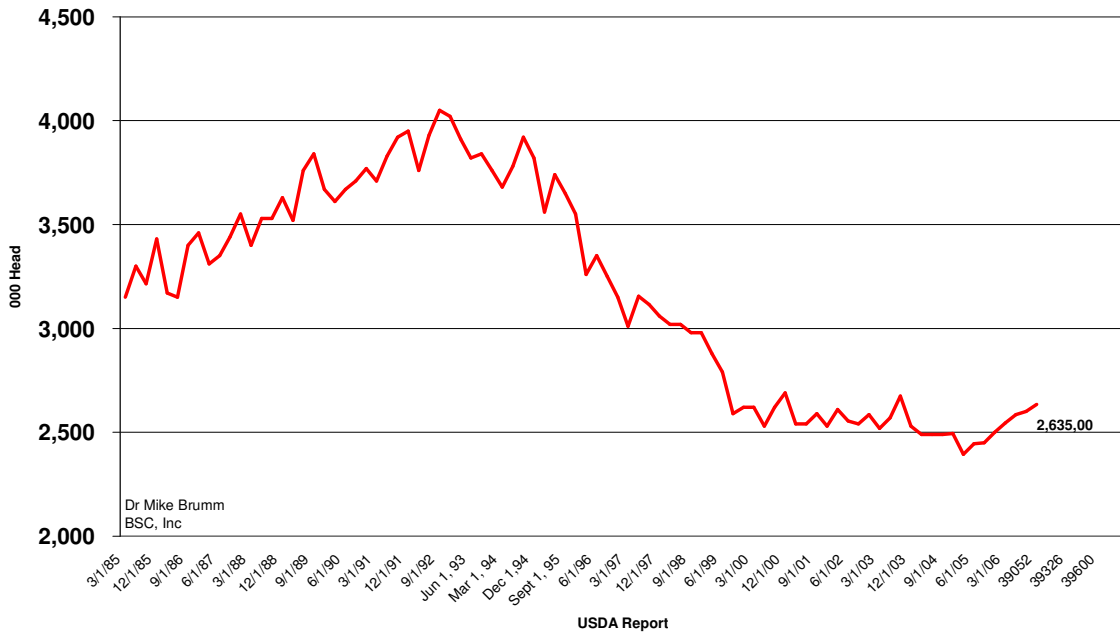
## December 1 Inventory



## Nebraska Breeding Inventory



## Nebraska Market Inventory



## Nebraska Pig Inventory

