

**September 1, 2007 USDA Hogs and Pigs Report
 Commentary
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With continued profits, albeit at a lower level than many would desire, the US pork industry continues its slow, steady expansion. However, the expansion is not occurring in all states equally.

September 1, 2007 USDA Inventory Numbers.

State	Breeding Herd	Kept for Market (000) hd	All Pigs	Pig Crop Jun-Aug (00) hd	Farrowing Intentions Sep-Nov %
Iowa	1,070	16,730	17,800	4,163	94
N Carolina	1,030	9,070	10,100	4,978	98
Minnesota	610	3,690	7,000	2,665	102
Illinois	450	3,550	4,000	2,070	109
Indiana	310	3,090	3,400	1,305	100
Nebraska	365	2,835	3,200	1,720	97
Missouri	380	2,670	3,050	1,739	106
Oklahoma	360	2,050	2,410	1,767	97
Kansas	170	1,770	1,940	792	107
Ohio	170	1,530	1,700	763	96
S Dakota	155	1,175	1,330	741	113
US	6,145	58,503	64,648	27,452	101

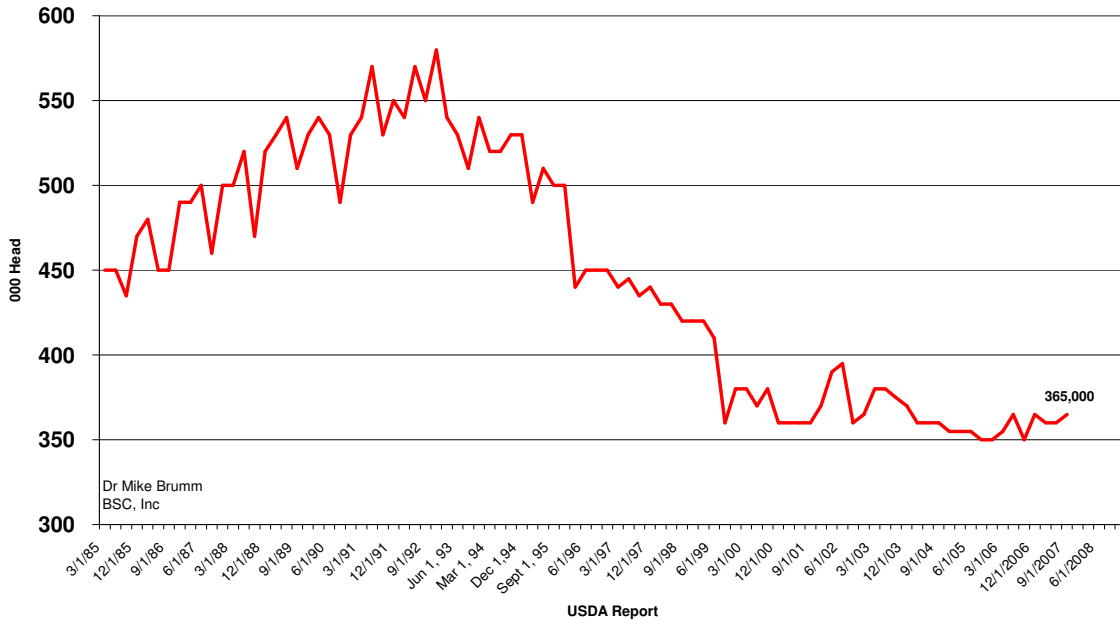
In Nebraska, the recent growth has been in the share of the US kept for market inventory that is remaining in the state for growth to slaughter. While Nebraska still sends quite a few of the pigs farrowed in the state to Iowa and Minnesota for growth to slaughter, this September 1 report showed 440,000 more pigs kept for market than the recent low point on March 1, 2005. On September 1, Nebraskans had 5.94% of the US breeding herd and 4.85% of the kept for market inventory.

In Illinois, the trend is the other way. While the breeding herd has shown cautious growth, the percentage of the US inventory fed Illinois grain to slaughter continues to decline. Long thought of as state that grew a large number of pigs to slaughter weight, Illinois is rapidly becoming a state that transports weaned pigs to other states for growth to slaughter. Illinois has 7.32% of the breeding herd and 6.07% of the kept for market inventory. This difference in inventory percentages between the categories versus the Nebraska differences suggests that Illinois now exports more weaned pigs than Nebraska, a historic weaned pig export state.

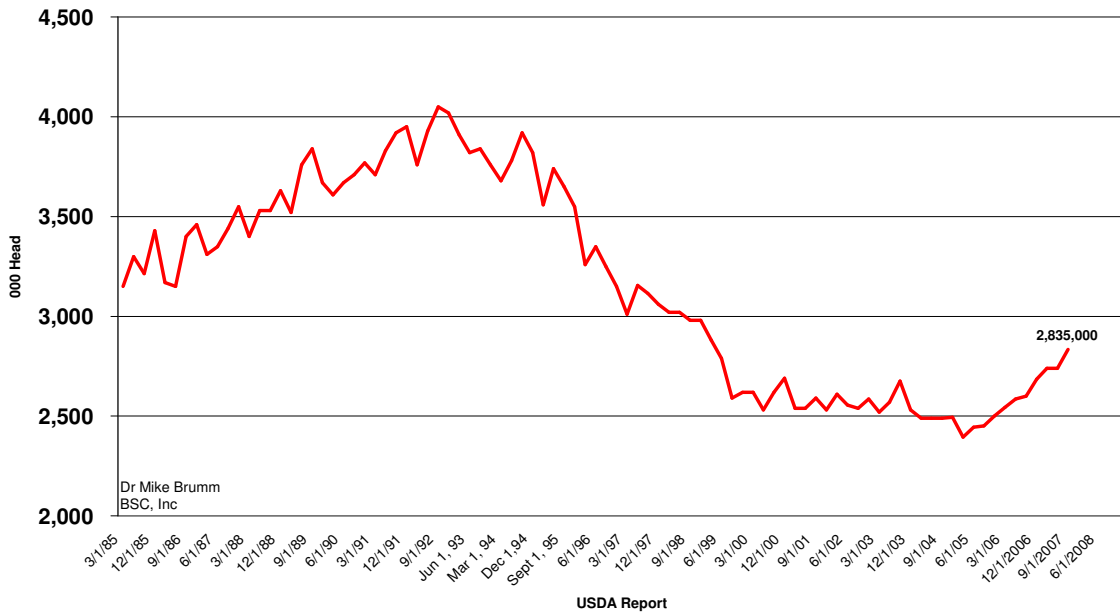
Iowa and Minnesota remain the primary destination states for weaned and feeder pigs, both from other states in the US and Canada. Iowa has 28.6% of the kept for market inventory versus 17.4% of the breeding herd. Minnesota has 10.92% of the kept for market inventory and 9.93% of the breeding herd. Iowa remains the dominant destination for Canadian feeder pigs.

There have been many reports in the popular press regarding the ravages of PCVAD in North Carolina finishing facilities this past year. The uptick in the kept for market category for North Carolina is most likely due to the successful use of PCVAD vaccines. Because the size of the industry is fixed due to a state wide moratorium on facilities, a sudden change in the kept for market inventory is not due to new facilities and suggests the successful and widespread adoption of this technology.

Nebraska Breeding Inventory



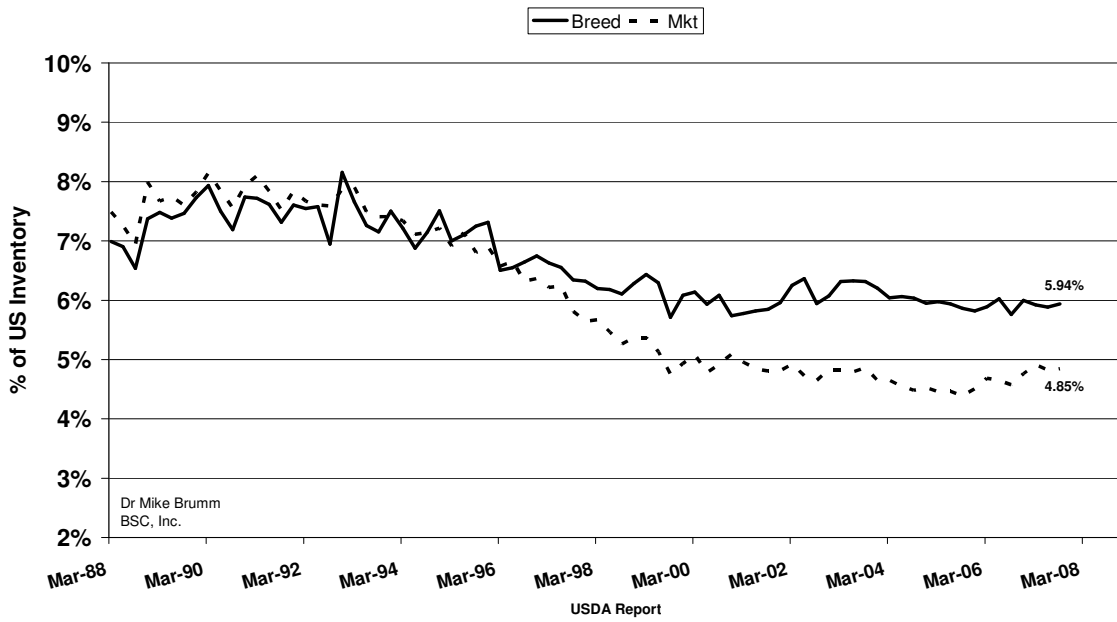
Nebraska Market Inventory



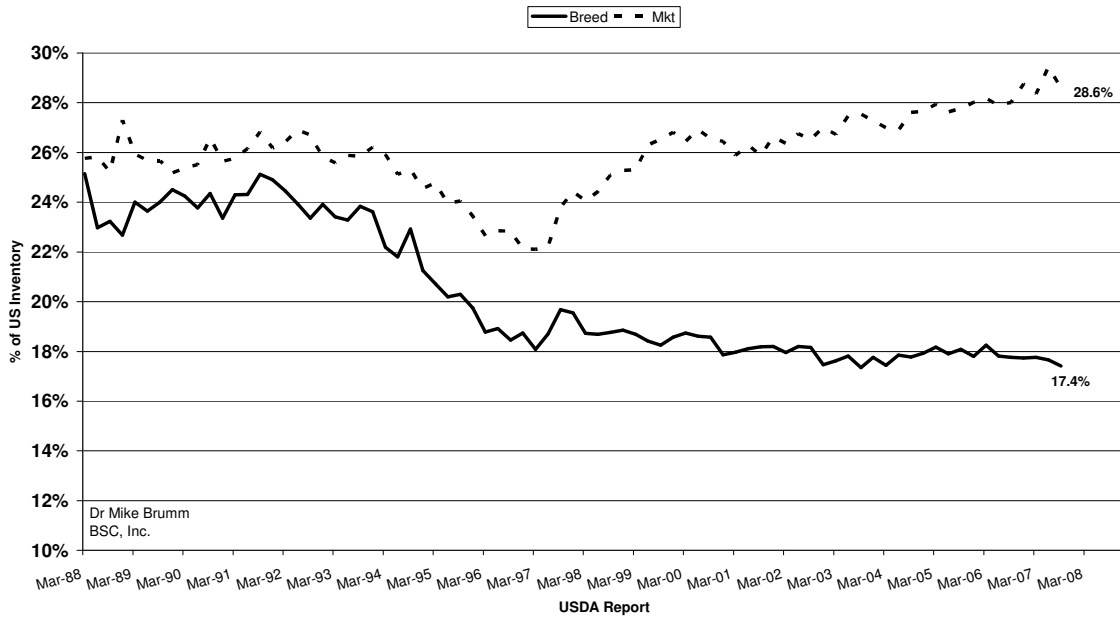
Nebraska Pig Inventory



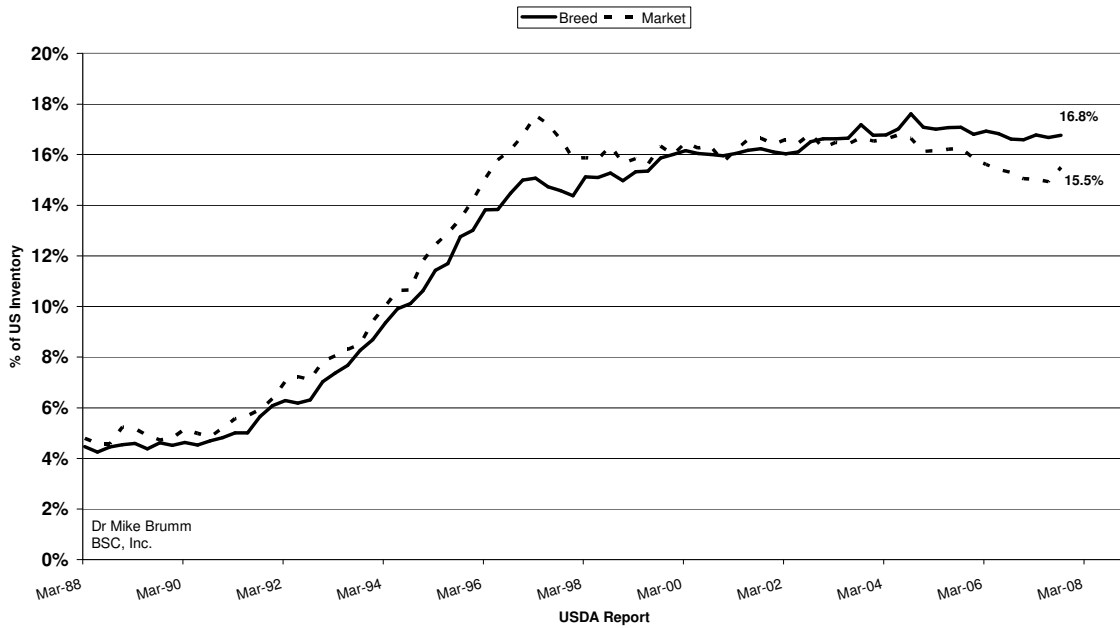
Nebraska's Share



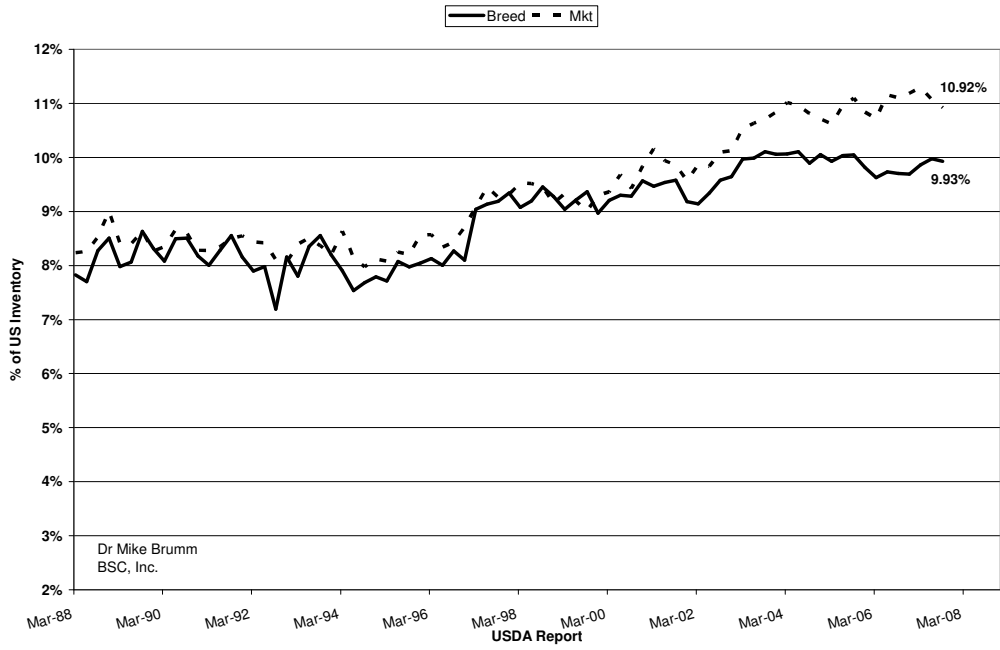
Iowa's Share



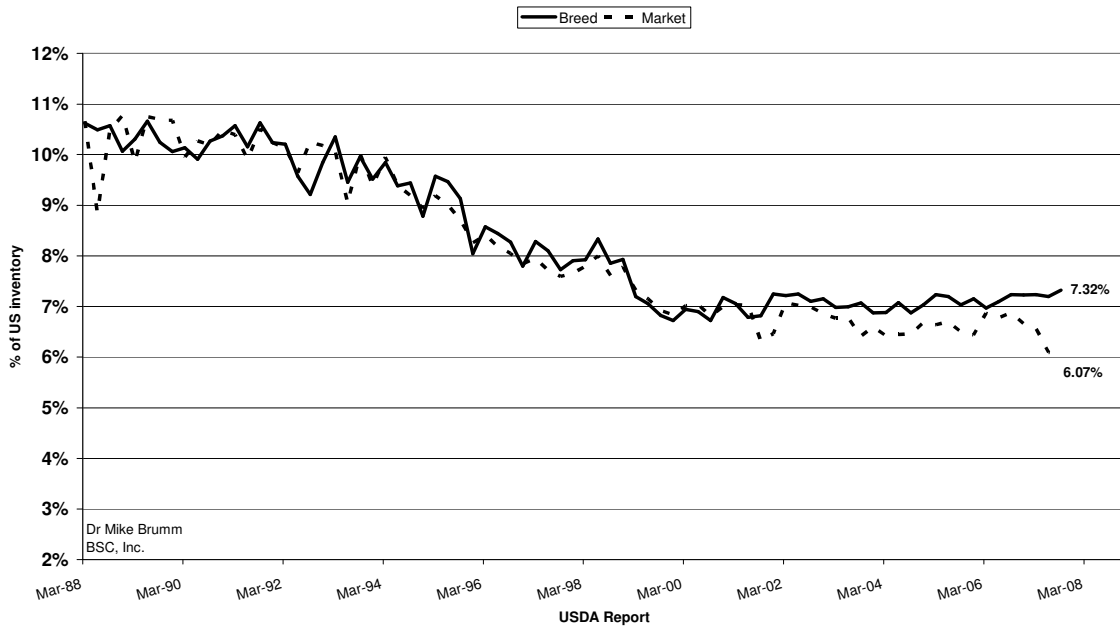
N Carolina Share



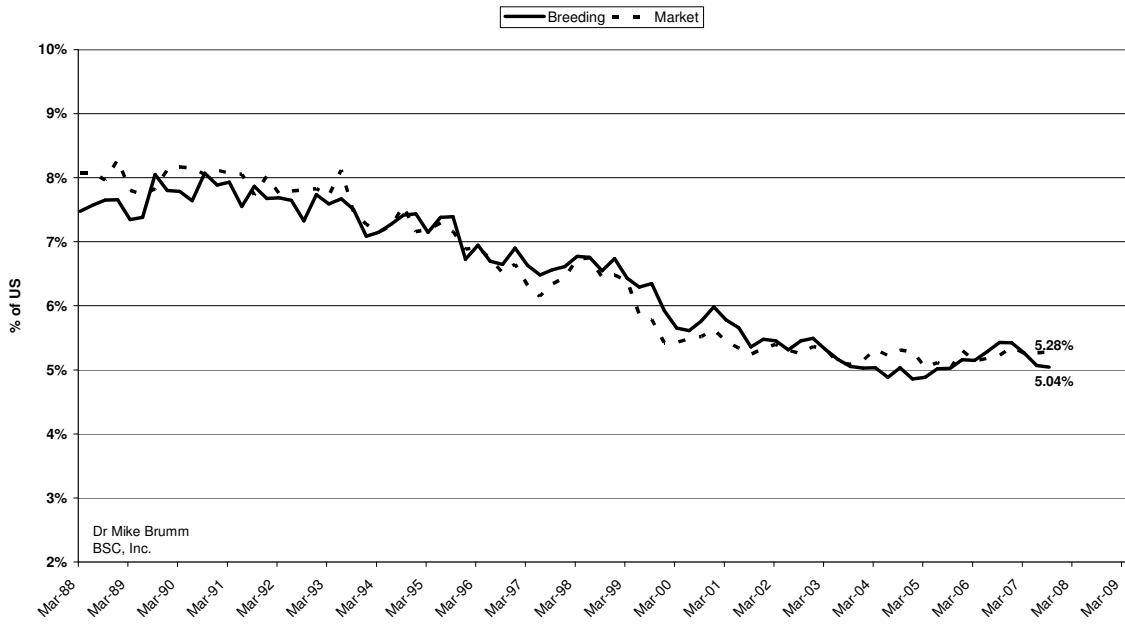
Minnesota's Share



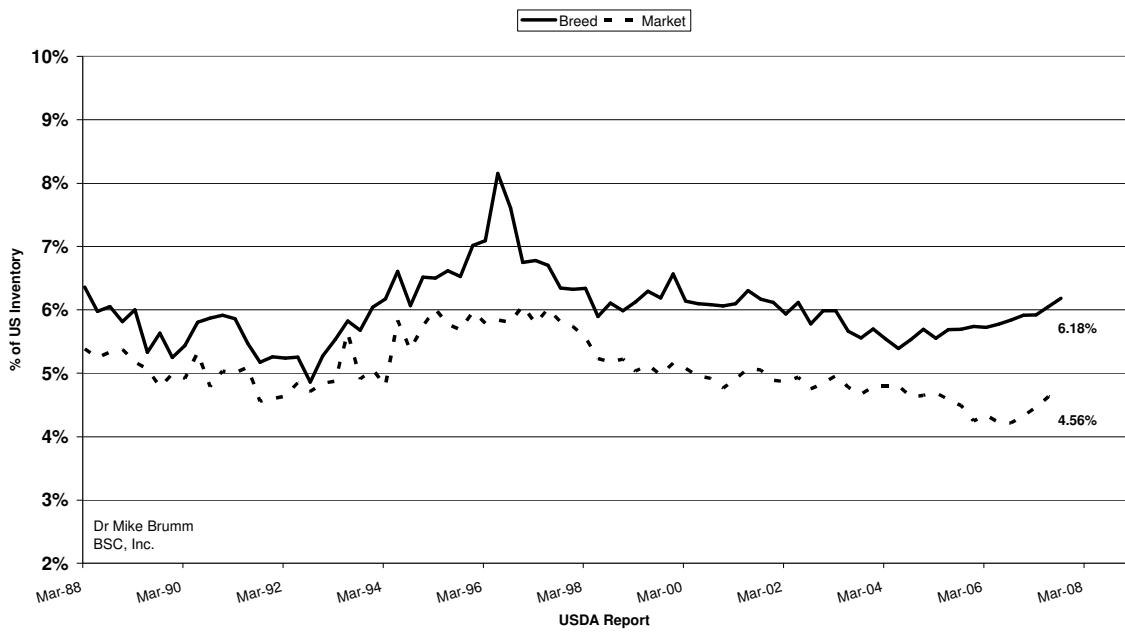
Illinois Share



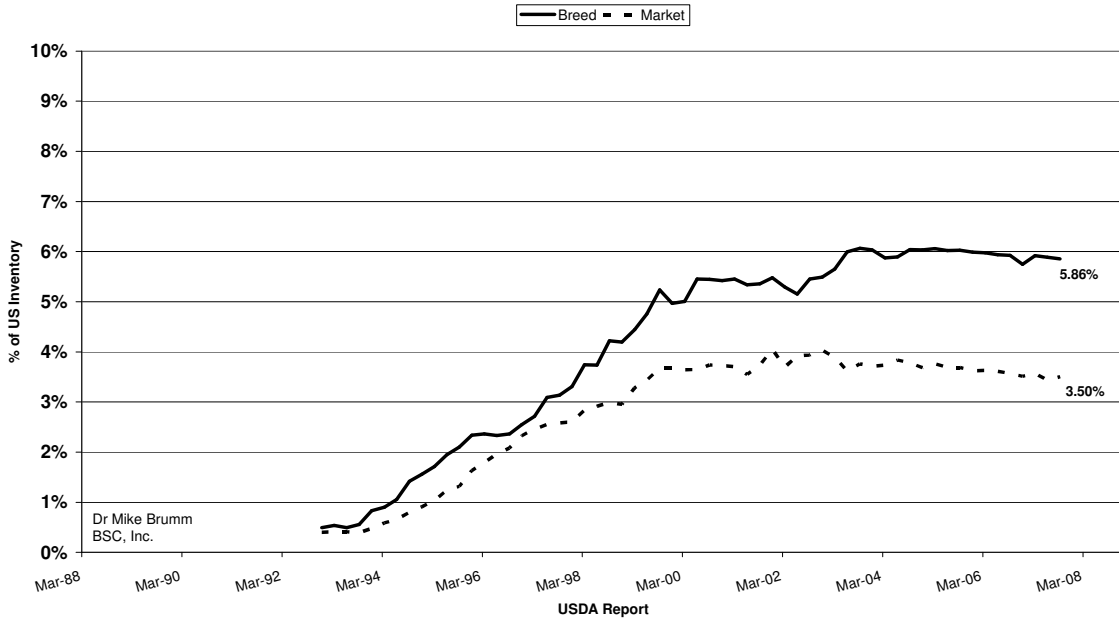
Indiana Share



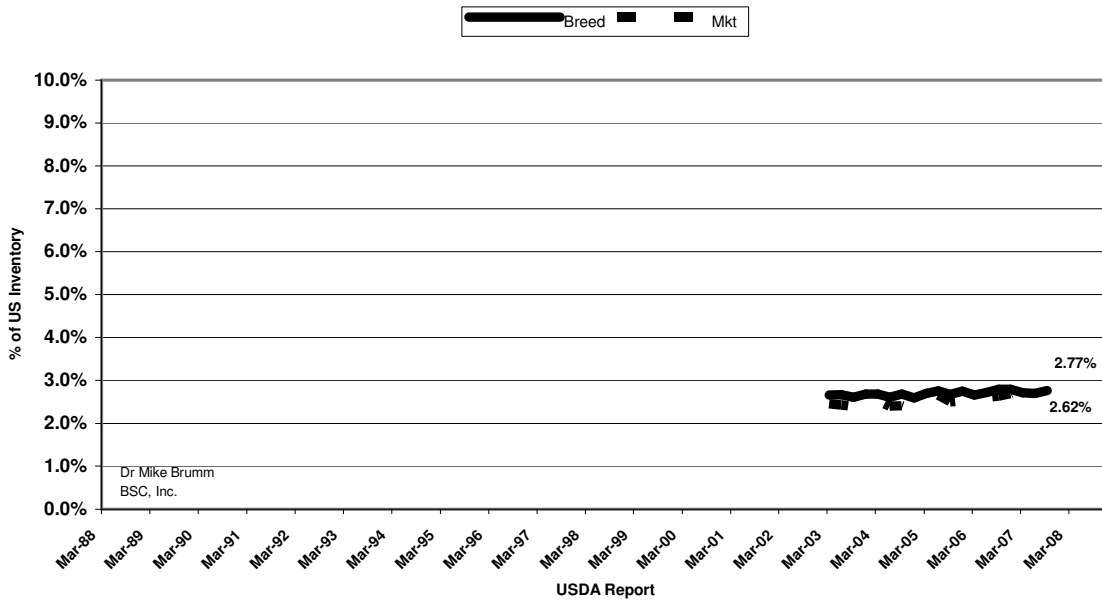
Missouri Share



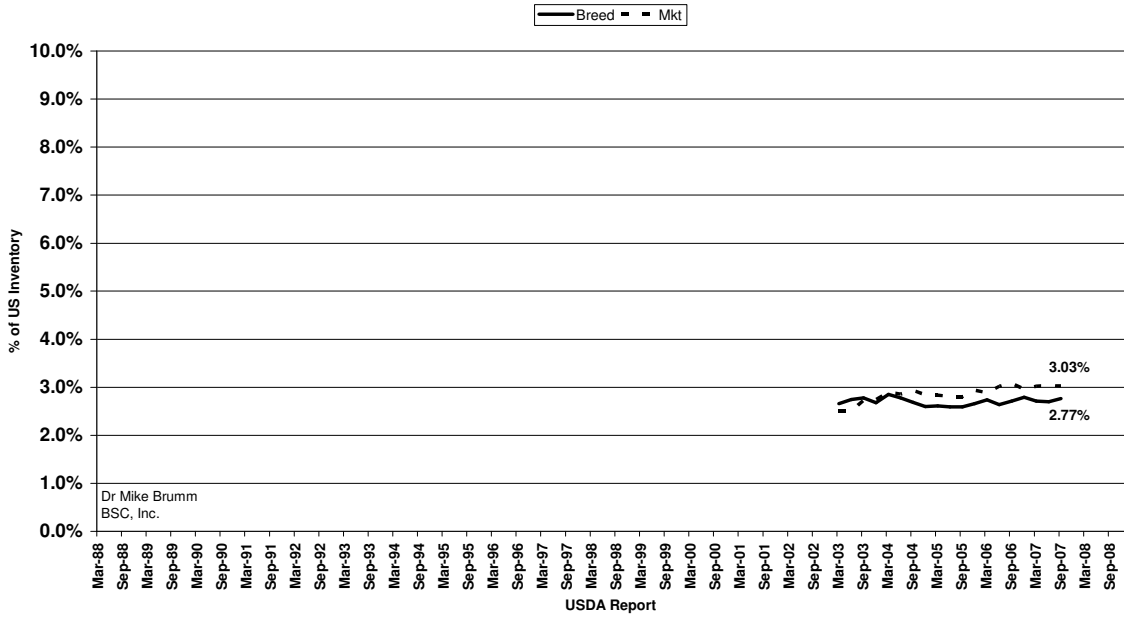
Oklahoma Share



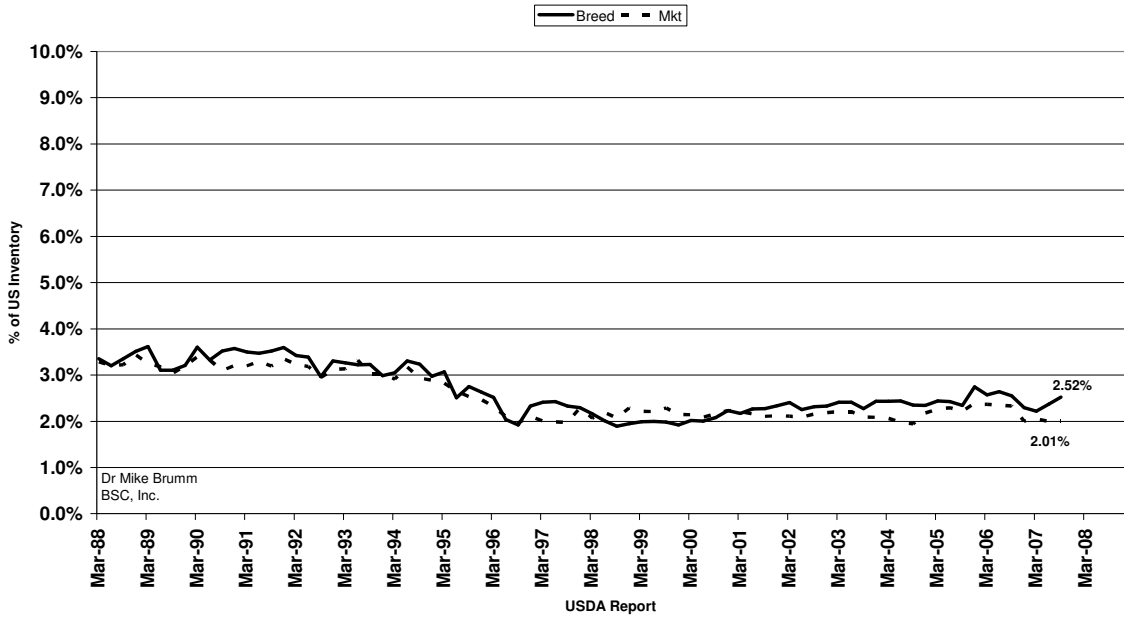
Ohio's Swine Industry



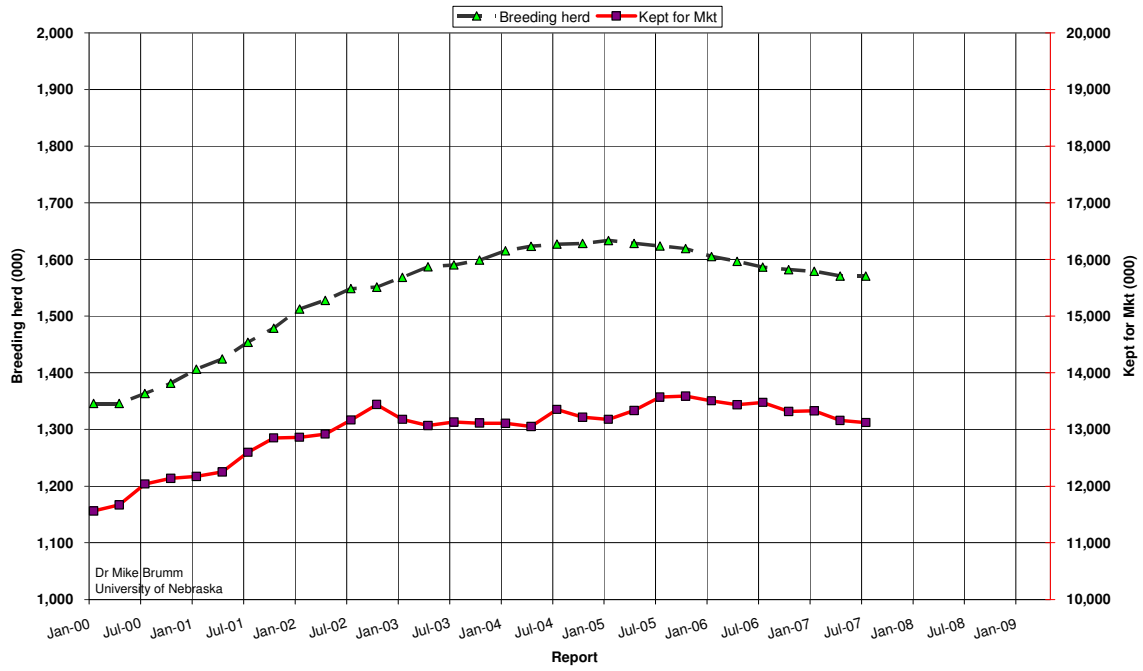
Kansas's Swine Industry



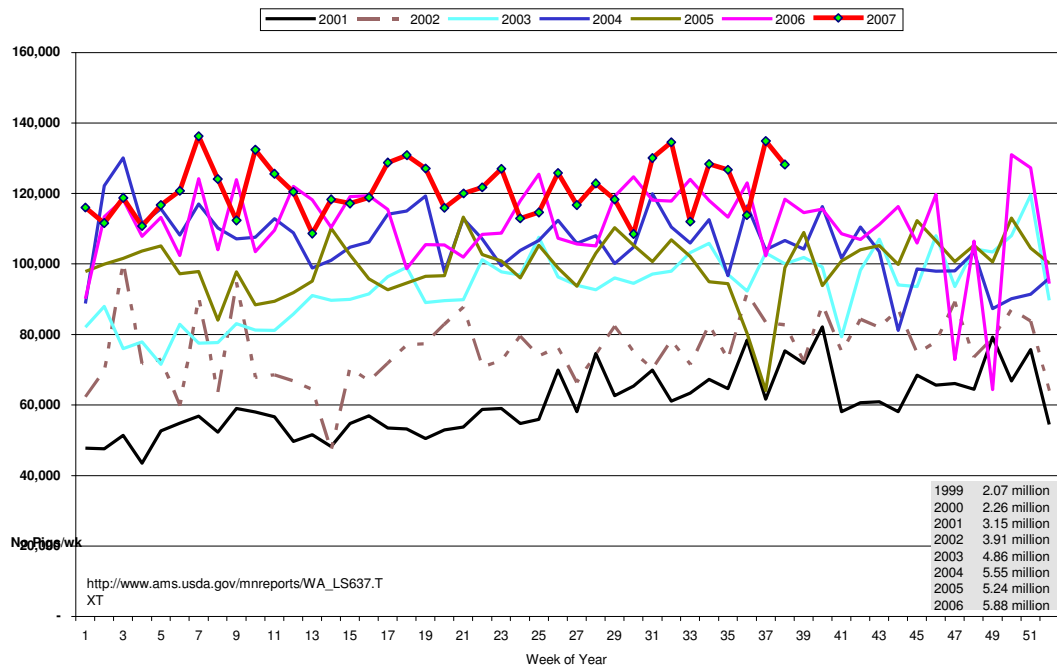
South Dakota's Swine Industry



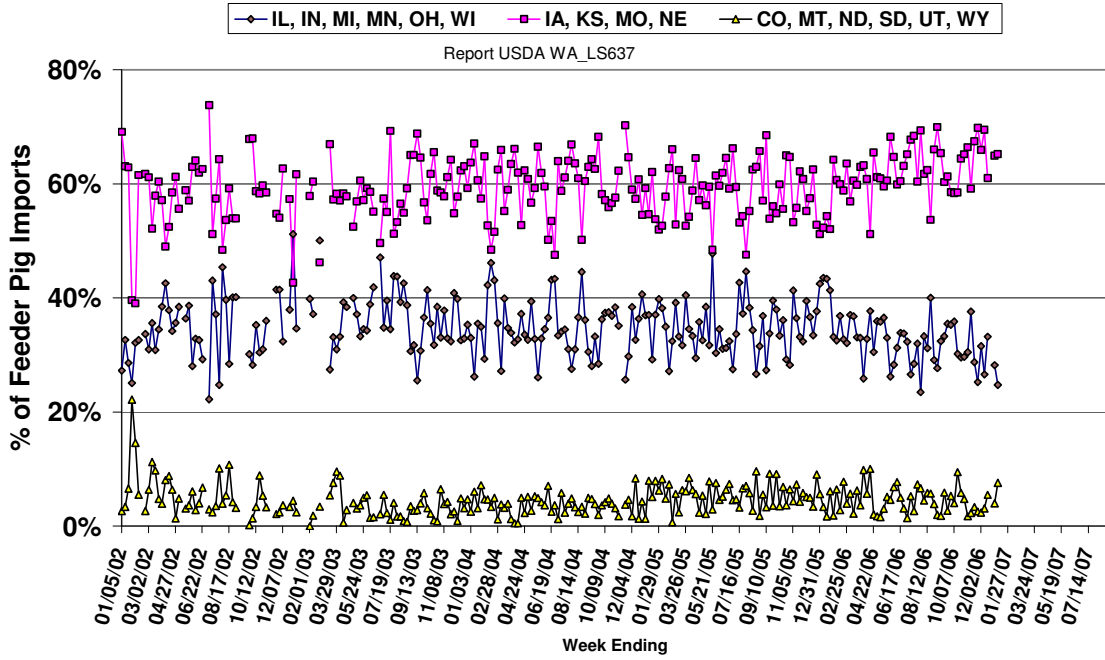
Canadian Swine Inventory



Canadian Feeder Exports to US

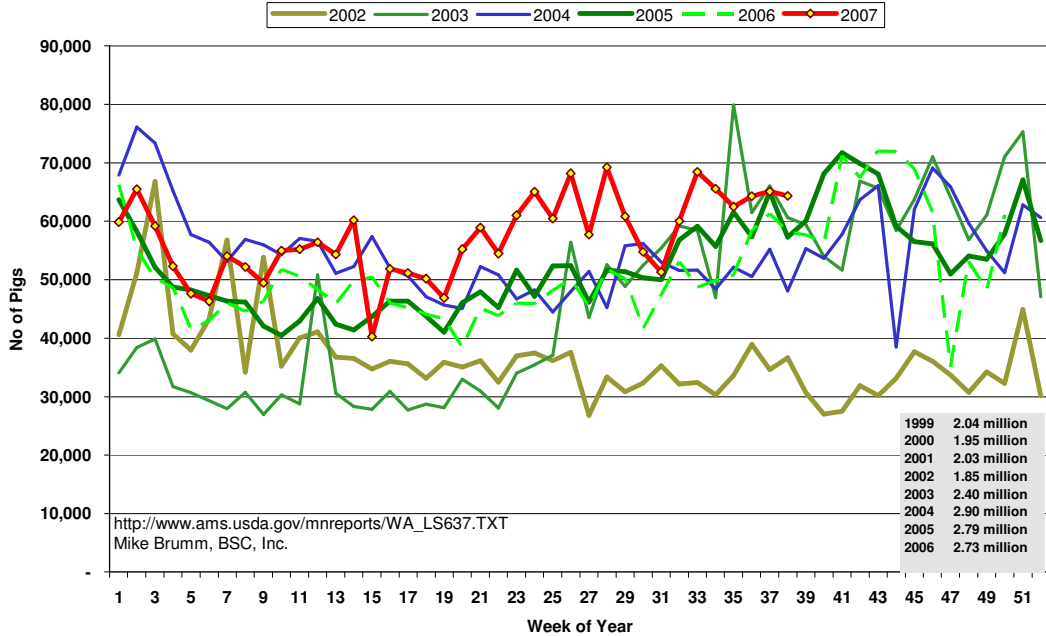


Canadian Feeder Pig Imports by Region

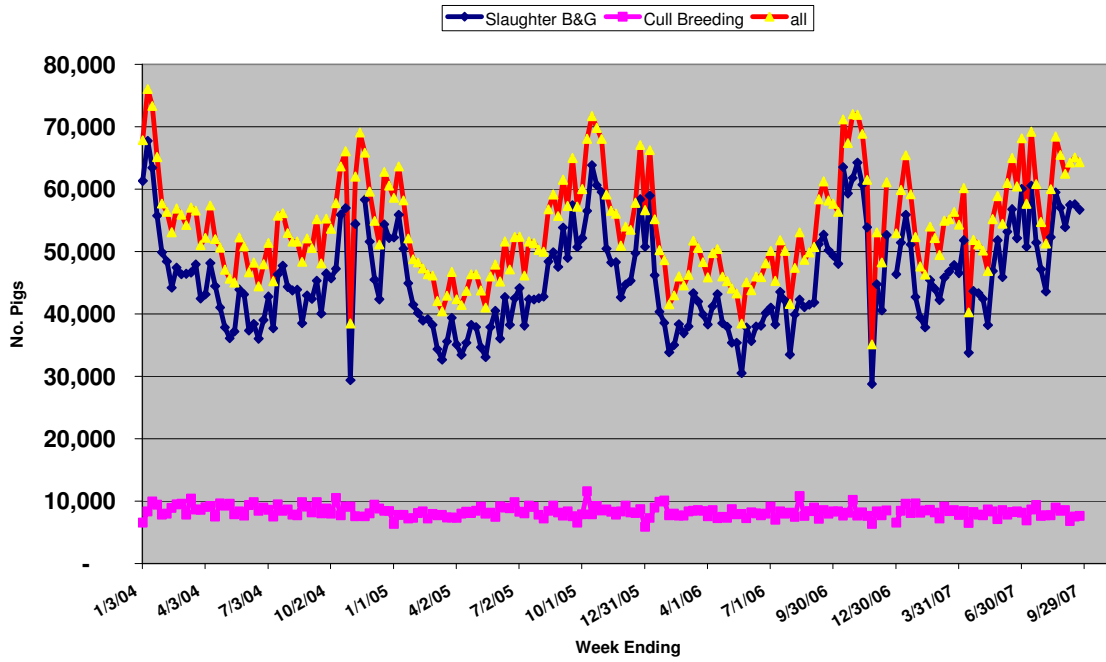


Canadian Slaughter Export to US

Includes cull sows and boars



Canadian Slaughter Imports to US



Canadian Live Pig Export to US

