

Hog outlook

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But, Fisher reasoned, Feeder pigs are going to have to get pretty cheap if there are enough available for finishing houses, or some finishing units will stand empty."

Mark Nestleroth, Manheim R5, thinks that some of the big hog complexes are at their rock bottom price now, if they want to continue to make a profit. He sees 43 to 45 cents as the price needed to break even, although he added that the market price needed depended on the amount of investments the hog producer had.

"There is a three year hog cycle, basically," he mused. But hog prices should never get less than half the price that slaughter steers are bringing. Right now cattle are bringing about 72 cents, that means hogs shouldn't go below 36 cents. That's cutting it pretty close, some hog

producers would be cutting back on production, they couldn't make a living on that."

"The price could go up to 50 to 52 cents a pound, according to reports," he reasoned. "But if it doesn't go up this Summer, and I was thinking of expanding, I wouldn't do it."

It definitely will go down in the Fall, he added. "But if the price rises over the Summer, as it should, the Fall drop will be livable."

There is no way that the hog expansion in our area is slowing down," he emphasized. Lancaster County is close to the markets and feed is plentiful and respectful in price here. We're also located close to the packers, and transportation costs are down."

"But I noticed that the sow kills in the

Midwest is slightly, about one per cent," he explained. This may be an indication that the expansion is slowing slightly out there and that would be good to see.

"Corn prices will someday go up," Nestleroth noted. And that will slow expansion in a hurry.

But right now there are too many variables to tell about the market. The weather affecting the corn crop, the expansion of the finishing operations for hogs, and the cattle prices will all affect slaughter hog market prices."

Gary Dean, Strasburg R1, president of Lancaster Co Swine Producers Association, stated that the peak of the swine market season should be in June and July, and there should be price rises in those marketed hogs.

"We're looking for \$40 hogs and below, come October," he commented. Some of those buying feeder pigs now may not put as many in."

The cycle has been good for the past 30 months," Dean added. "I guess it could be time to tighten the belts a little. If the Spring farrowings are as high as they have been predicted, there are going to be an awful lot of pigs on the market this Fall. But I think that the high beef prices are helping to hold the hog prices up, and will continue to do so."

Dennis Grumbine, president of the Pa Swine Breeders Co-op, Myerstown R2, echoed these thoughts, adding that he

thought the price of pork will rise this Summer, "bounce around, and towards Fall, stabilize."

"The price of corn and soybeans will determine the hog situation," he reasoned.

If soybeans and corn are high, next Summer pork should bring eight to 10 cents higher a pound than it is selling for now. But if there is a big corn and soybeans crop, and exports are down, we'll be going in the wrong direction."

"A big factor in the expansion movement of hog operations in the Midwest will be the grain prices, but that won't affect expansion here," he commented.

Looking to the distant future, he added that when beef becomes abundant, the hog market could be hurting for there would be no high beef market to cushion the hog market.

"But," he added, "When the beef market increases, the corn intake for cattle increases. Then the hog market will decrease, which should help to ease the situation."

Concerning the Fall hog marketing prices, Louis Moore commented that due to the market situations in beef and pork, "the stage will be set for consumers to shift some of their purchases from beef to pork. Retail pork prices will decline in the last half of the year while beef prices will still be climbing. With pork selling at 40 to 75 cents per pound less than beef, consumers will certainly be visiting the pork section of the meat case more often."

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'Right to Farm' bill considered

TRENTON, N.J. — The New Jersey Farm Bureau has successfully introduced an idea into the New Jersey Senate which may give farmers in the Garden State more relaxed conditions under which to do business. The New Jersey Senate's Agriculture Committee has begun hearings on the proposal.

The "Right to Farm" bill was drafted in response to excessive regulations by local and county governments involved in the state's farmland preservation demonstration project which ended last July. The project allowed farmers to sell

development easements in return for keeping their land in agriculture. However, those in the demonstration project found that local requirements were too restrictive and the state's assessments of agricultural land values were too high.

Testifying on the "Right to

Farm" bill's behalf was New Jersey Farm Bureau president Arthur West, who said: "When farmers have to spend more time conforming with regulations than growing food, then farming is no longer profitable. When that happens, farmers will go elsewhere."

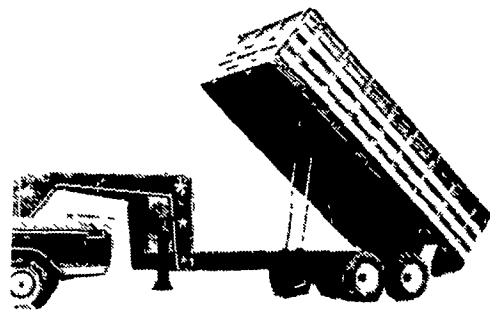


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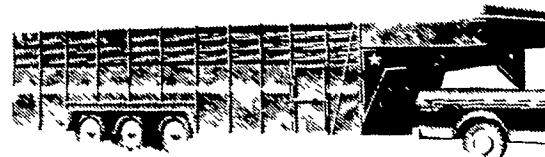
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