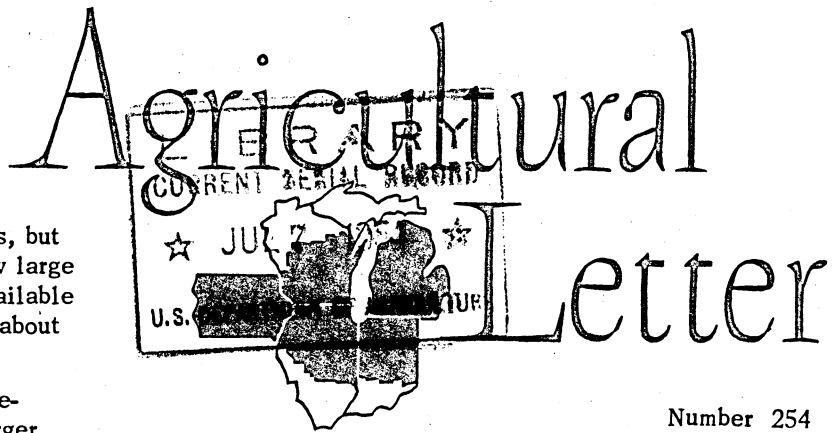


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Federal Reserve Bank of Chicago ---

June 25, 1954



Number 254

IT HAS BEEN KNOWN for some time that farmers are stepping up their production of hogs, but there has been great uncertainty as to just how large the increase is. Additional data was made available this week by the USDA following a survey of about 143,000 farmers.

The spring pig crop--pigs born between December 1 and June 1--is about 13 per cent larger than last year. The increase in District states is close to the U.S. average.

The seasonal pattern of farrowings was quite different from last year. March and April, of course, are always the peak months and together account for nearly 60 per cent of the spring pig crop. The biggest difference from last year's farrowings was in February which accounted for about 17 per cent of the total spring pig crop this year, compared with 14 per cent last year. Hence, nearly 10 million pigs were farrowed in February, compared with a little over 7 million last year. The number of sows farrowing and per cent change from last year were:

December	274,000	+25%
January	515,000	+17
February	1,410,000	+34
March	2,428,000	+15
April	2,213,000	0
May	1,288,000	+2

Assuming the February pigs are "full fed" for an early market, as farmers attempt to get them sold before prices go down sharply, there would be an early and larger than usual increase in the number of hogs showing up at markets this summer--probably beginning in late July and continuing through August. Thus, the fall-winter decline in prices is expected to show up earlier than is usual and to be quite sharp.

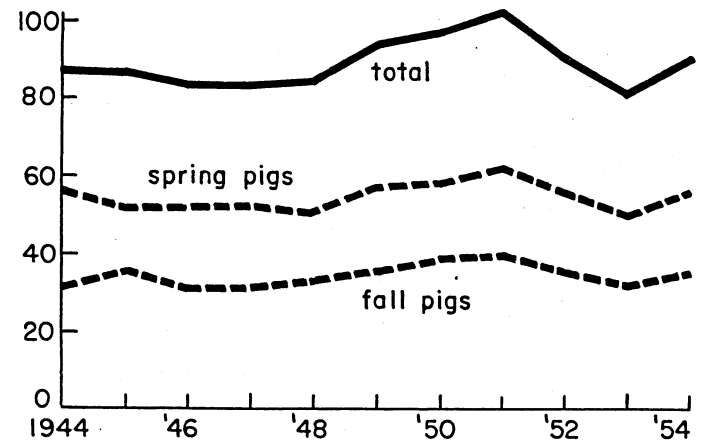
April and May farrowings on the other hand, were only nominally larger than last year. This suggests that after hog prices decline seasonally they may be fairly stable at the reduced level. The more uniform distribution of farrowings through the spring months can be expected to bring a better distribution of marketings during the last half of the year.

MARKETINGS of hogs in the next month or so may be below the year-ago level. The number of hogs over six months old on farms June 1 totaled 7 per cent less than on June 1 last year. This reflects the smaller number of pigs raised during the last half of 1953, and since sows held for fall farrowing represent a larger proportion of the June 1 inventory than last year, the marketable supply of hogs over six months old is probably more than 7 per cent smaller than last year. This deficiency could be largely offset by the early farrowed spring pigs if they are "hurried to market" at light weights.

THE FALL CROP, pigs born June 1 to December 1, as indicated by farmers' intentions in early June, will show about a 10 per cent increase over

last year. For District states the indicated increases are as follows: Illinois, +15; Indiana, +17; Iowa, +10; Michigan, +5; Wisconsin, +12. This would bring the total 1954 pig crop to about 91 million head which would be 12 per cent larger than last year but still slightly below the average of the past ten years.

PIGS RAISED
million head



HOG PRICES--BARROWS AND GILTS AT CHICAGO
dollars per cwt.

