SOUTH DAKOTA
CROP & LIVESTOCK REPORTER

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HOG & PIG REPORT

SOUTH DAKOTA: The state's December 1 inventory of all hogs and pigs was 1.26 million head, down 4 percent from one year ago but unchanged from last quarter.

Breeding stock totaled 145,000 head, up 4 percent from last year and up 7 percent from last quarter. **Market hogs** totaled 1,115,000 head, 5 percent below one year ago and 1 percent below last quarter's 1,125,000 head.

The September through November **pig crop** was 637,000 head, up 88,000 head (16 percent) from last year. During the quarter 70,000 sows farrowed, up 15 percent from 2002. Pigs per litter averaged 9.1, slightly above one year earlier. Producers intend to farrow 70,000 sows during December 2003 through February 2004, 9 percent above the actual farrowings a year earlier. Intentions for March through May 2004 are 70,000 sows, 3 percent above the actual farrowings a year earlier.

UNITED STATES: U.S. inventory of all hogs and pigs on December 1, 2003, was 60.0 million head. This was 1 percent above December 1, 2002, but slightly below September 1, 2003. **Breeding inventory,** at 5.97 million head, was down 1 percent from December 1, 2002, but 1 percent above last quarter. **Market hog inventory,** at 54.1 million head, was 1 percent above last year, but slightly below last quarter.

The September-November 2003 U.S. **pig crop,** at 25.3 million head, was 2 percent more than 2002, but 1 percent below 2001. Sows farrowing during this period totaled 2.84 million head, 1 percent above last year. The sows farrowed during this quarter represented 48 percent of the breeding herd. The average pigs saved per litter was 8.93 for the September-November period, compared to 8.83 last year. Pigs saved per litter by size of operation ranged from 7.40 for operations with 1-99 hogs to 9.10 for operations with more than 5,000 hogs and pigs.

HOGS & PIGS: DECEMBER 1 INVENTORY NUMBER, SOWS FARROWING, AND PIG CROP, SOUTH DAKOTA & UNITED STATES, 2002 & 2003, AND INTENTIONS, 2004

Item	South Dakota			United States		
	2002	2003	2003 as % of 2002	2002	2003	2003 as % of 2002
	- - 1,000 Head - -		Percent	- - 1,000 Head - -		Percent
INVENTORY, DECEMBER 1						
All Hogs and Pigs	1,310	1,260	96	59,513	60,040	101
Kept for Breeding	140	145	104	6,012	5,966	99
Market	1,170	1,115	95	53,501	54,074	101
MARKET HOGS						
Under 60 pounds	370	385	104	19,461	19,821	102
60-119 pounds	310	250	81	13,054	13,250	102
120-179 pounds	265	260	98	10,881	10,839	100
180 pounds and over	225	220	98	10,105	10,164	101
SOWS FARROWING 1/:						
December 2/-February	70	64	91	2,836	2,765	97
March-May	70	68	97	2,943	2,881	98
June-August	69	65	94	2,887	2,825	98
September-November	61	70	115	2,817	2,836	101
PIG CROP 1/:						
December 2/-February	623	579	93	24,794	24,359	98
March-May	616	619	100	25,959	25,583	99
June-August	624	605	97	25,700	25,150	98
September-November	549	637	116	24,892	25,314	102
INTENTIONS TO FARROW	2003	2004	2004 as %	2003	2004	2004 as %
December 2/-February	64	70 3/	109	2,765	2,806 3/	101
March-May	68	70 3/	103	2,881	2,846 3/	99

1/ May not add due to rounding. 2/ December preceding year. 3/ Intentions.

HOG/PORK ANALYSIS

Record Beef Prices Support Pork Sector Above Year-Earlier Levels

Fourth-quarter prices of live equivalent 51 - 52 percent lean hogs are expected to average $37-$38 per cwt. almost 20 percent higher than a year ago. Weekly hog slaughter since the first week of October has been a consistent 2.1 million head or above, with the exception of holiday weeks. Given this weekly slaughter pattern, fourth-quarter hog slaughter will fall only slightly below 1998 when fourth-quarter hog prices were $22 per cwt. With an expected slaughter of about 27.4 million head, and dressed weights of 199 pounds, fourth-quarter pork production will be record high at about 5.45 million pounds, nearly 4 percent greater than last year, and 4 percent more than in 1998. If current price and production expectations are met, the market will be faced with higher hog prices and record-high pork production, a situation at odds with all those Economics 101 scenarios where prices are low when production is high.

It appears that the dynamics of another variable–Choice beef prices–explain higher hog prices at the same time that the industry is producing record quantities of pork products. Record-high cattle and beef prices have probably fostered a shift by consumers toward relatively lower-priced pork products. The shift in demand toward pork is signaled by the higher wholesale carcass cutout value, which averaged $58.08 during October-November, almost 8 percent higher than in the same period last year.

Stronger Retail Pork Prices Expected

Strong consumer demand for pork is expected to send fourth-quarter retail prices about 4 percent above same-period prices a year ago. Fourth-quarter retail pork prices typically drop below third-quarter prices. But this year the reverse is expected. Fourth-quarter prices are expected to be slightly higher than the third-quarter price of $2.70 per pound. For 2003, retail prices are expected to average in the mid-$2.60-per-pound range, less than 1-percent above 2002. In 2004, with tight beef supplies continuing to drive pork demand, and slightly lower pork production, consumers can expect to pay about 1 percent more for pork than in 2003.

2003 Pork Exports Running Ahead of a Year Ago

In the first 10 months of 2003, U.S. processors exported 1.4 billion pounds of pork, more than 6 percent above the same period last year. As usual, the largest foreign markets for U.S. pork products this year have been Japan, accounting for 49 percent of exports, Mexico, accounting for 19 percent, and Canada, which has so far taken 11 percent of U.S. pork exports. Larger exports to smaller Asian countries–Korea, Taiwan, and Hong Kong–have compensated for slower shipments to Canada.

Source: Livestock, Dairy, & Poultry Outlook, Economic Research Service, USDA December 17, 2003

CHICKEN & EGG PRODUCTION

SOUTH DAKOTA: The average number of layers on hand during November 2003 was 3,352,000, down 2,000 from October but up 1,008,000 (43 percent) from November 2002. The number of eggs produced during the month totaled 73 million, down 3 million from October but up 29 million (66 percent) from November last year.

UNITED STATES: U.S. egg production totaled 7.28 billion during November 2003, up 1 percent from last year. Production included 6.25 billion table eggs and 1.02 billion hatching eggs, of which 968 million were broiler-type and 56.0 million were egg-type. The total number of layers during November 2003 averaged 336 million, down 1 percent from a year earlier. November egg production per 100 layers was 2,165 eggs, up one percent from November 2002.

MONTHLY LAYERS AND EGG PRODUCTION, SELECTED STATES

State	Average Number of Layers on Hand			Eggs per 100 Layers			Total Eggs Produced		
	September 2003	October 2003	November 2003	September 2003	October 2003	November 2003	September 2003	October 2003	November 2003
	- - - - - - Thousands - - - - - -			- - - - - - Number - - - - - -			- - - - - - Millions - - - - - -		
Iowa	38,925	39,344	40,128	2,194	2,369	2,295	854	932	921
Minnesota	11,016	10,880	10,931	2,151	2,206	2,132	237	240	233
Nebraska	11,847	11,798	11,802	2,212	2,297	2,220	262	271	262
South Dakota	3,358	3,354	3,352	2,233	2,266	2,178	75	76	73
United States	332,069	333,151	336,052	2,127	2,218	2,165	7,063	7,390	7,275

PRICES

UNITED STATES PRICES RECEIVED INDEX

The preliminary All Farm Products Index of Prices Received by Farmers in December, at 115, based on 1990-92=100, is 2 points (1.7 percent) below the November Index. The Livestock Products Index is down 4 points (3.4 percent) from November while the All Crops Index is unchanged. Lower prices received for eggs, milk, lettuce, and cattle more than offset higher commodity prices for corn, soybeans, broccoli, and broilers. The seasonal change in the mix of commodities farmers sell, based on the past 3-year average, also affects the overall index. Increased average marketings of tobacco, wheat, milk, and lettuce offset decreased marketings of cattle, soybeans, grapes, and corn.

This preliminary All Farm Products Index is up 15 points (15 percent) from December 2002. The Food Commodities Index, at 118, is 4 points (3.3 percent) below last month but 19 points (19 percent) above December 2002.

TRENDS AFFECTING AGRICULTURE

Index		United States		
		Dec. 2002	Nov. 2003	Dec. 2003
Prices Received Indexes		(1990-92=100%)		
All farm products	%	100	117	115
All crops	%	107	117 *	117
Food grains	%	124	116 *	119
Feed grains & hay	%	106	99 *	103
Oil bearing crops	%	98	122 *	128
All livestock & products	%	91	117 *	113
Meat animals	%	88	116	113
Dairy products	%	91	111 *	105
Poultry & eggs	%	96	125	121
Prices Paid Index	%	125	130	130
Ratio 1/	%	80	90	88
Crop Sector	%	127	131 *	131
Livestock Sector	%	123	128 *	129

*Revised. 1/ (Received Index/Paid Index)

PRICES RECEIVED BY FARMERS FOR COMMODITIES SOLD

Commodity and Unit		South Dakota			United States			
		December 2002 1/	November 2003 1/	December 2003 2/	December 2002 1/	November 2003 1/	December 2003 2/	Parity Price December
		Dollars						
All Wheat	Bu.	4.17	3.44	3.55	4.06	3.59	3.63	9.88
Winter	Bu.	4.03	3.35	3.50	3.87	3.55	3.62	--
Durum	Bu.	7/	7/	7/	4.26	3.91	3.84	--
Other spring	Bu.	4.24	3.64	3.67	4.15	3.67	3.63	--
Corn	Bu.	2.12	2.02	2.22	2.32	2.20	2.32	6.75
Oats	Bu.	2.17	1.27	1.49	1.95	1.32	1.36	4.22
Soybeans	Bu.	5.31	6.95	7.26	5.46	7.05	7.29	14.80
All Barley	Bu.	6/	2.37	6/	2.91	2.86	2.41	6.68
Feed	Bu.	6/	6/	6/	2.14	2.44	1.99	--
Malt	Bu.	6/	2.37	6/	3.24	3.11	2.79	--
Sunflower	Cwt.	12.50	10.50	11.00	12.30	11.60	12.00	--
Flaxseed	Bu.	6/	5.86	6/	5.92	6.06	5.97	12.20
Sorghum	Cwt.	3/	3/	3/	4.33	4.13	4.21	11.40
All Hay	Ton	78.00	61.00	61.00	91.10	80.70	81.30	--
Alfalfa	Ton	82.00	64.00	64.00	98.00	88.00	87.90	--
Other	Ton	61.00	50.00	49.00	76.30	64.90	66.90	--
Milk, wholesale	Cwt.	3/	3/	3/	11.90	14.50	13.70	34.20
Eggs, market	Doz.	3/	3/	3/	0.480	0.926	0.739	1.62
Cattle 4/	Cwt.	69.70	92.60	86.50	70.40	93.70	92.70	164.00
Steers & heifers	Cwt.	81.80	102.00	99.80	75.00	100.00	98.60	--
Cows	Cwt.	35.40	49.60	48.50	34.60	47.80	49.90	--
Calves	Cwt.	98.90	115.00	117.00	95.30	112.00	113.00	220.00
All hogs	Cwt.	31.40	36.30	36.80	30.30	34.80	34.90	105.00
Barrows & gilts	Cwt.	32.60	37.40	38.00	30.70	35.00	35.30	--
Sows	Cwt.	21.80	29.00	27.00	22.40	29.40	28.30	--
Sheep	Cwt.	44.50	47.00	5/	38.70	40.10	5/	80.70
Lambs	Cwt.	95.50	119.00	5/	87.20	99.20	5/	189.00

1/ Full month except hay which is mid-month. 2/ Mid-month. 3/ Annual average price only. 4/ "Cows" and "Steers & Heifers" combined. 5/ Mid-month prices discontinued January 1996. 6/ Insufficient sales to establish a price. 7/ Durum wheat discontinued September 2001 for South Dakota.

COMING UP IN THE NEXT CROP REPORTER:

Annual Crop Summary
Winter Wheat Seedings
Grain Stocks

COLD STORAGE

STOCKS IN COLD STORAGE, UNITED STATES

Commodity	Nov. 30, 2002	Oct. 31, 2003	Nov. 30, 2003	Nov. 2003 as % of Nov. 2002	Nov. 2003 as % of Oct. 2003
	- - - - - - - - Thousand Pounds	- - - - - - - -		- - - - Percent	- - - -
Butter	135,632	170,154	123,187	91	72
Cheese, total natural	697,063	722,406	695,752	100	96
Eggs, frozen	11,199	16,854	14,922	133	89
Fruits, frozen	1,120,259	1,182,310	1,104,162	99	93
Fruit juices, frozen	1,748,180	1,643,087	1,724,666	99	105
Meat, total red	997,688	836,916	827,731	83	99
Beef, total frozen	512,567	375,171	371,824	73	99
Pork, total frozen	463,942	446,843	439,852	95	98
Poultry, total frozen	1,142,313	1,186,037	939,035	82	79
Chicken	800,423	600,664	583,846	73	97
Turkey	334,339	582,683	353,353	106	61
Vegetables, total frozen	2,235,192	2,557,364	2,395,243	107	94
Potatoes, total frozen	1,214,375	1,253,946	1,232,555	101	98

Data are collected from warehouses artificially cooled to a temperature of 50 degrees Fahrenheit or lower, and whose food products are normally stored for 30 days or more. All food items in these facilities are reported regardless of the number of days stored at the time of the report. Also included are specialized storage facilities meeting the 30 day requirement, such as fruit houses, dairy manufacturing plants, frozen fruit, fruit juice, and vegetable processors, and poultry and meat packing plants. Excluded are stocks in space maintained by wholesalers, jobbers, distributors, chain stores, locker plants containing individual lockers, meat packer branch houses, and frozen food processors whose entire inventories are turned over more than once a month.

SLAUGHTER

COMMERCIAL SLAUGHTER, RED MEAT PRODUCTION, SOUTH DAKOTA AND UNITED STATES 1/

Kind	Unit	Slaughter			Nov. 2003 as % of		January-November 2/		
		Nov.	Oct.	Nov.	Nov.	Oct.	2002	2003	2003 as %
					- - Percent	- -	Million Pounds Liveweight		Percent
SOUTH DAKOTA									
Cattle	1,000 Head	15.8	4/	4/	NA	NA	213.4	4/	NA
Hogs	1,000 Head	346.4	418.5	377.1	109	90	1,035.8	1,075.6	104
Sheep	1,000 Head	1.1	0.9	1.0	91	111	1.529	1.453	95
Red Meat 3/	Million Lbs.	74.8	88.6	80.6	108	91	865.2	881.7	102
UNITED STATES									
Cattle	1,000 Head	2,861.1	3,002.6	2,425.8	85	81	41,180.2	40,327.0	98
Hogs	1,000 Head	8,654.2	9,641.3 *	8,581.9	99	89	24,244.5	24,314.1	100
Sheep	1,000 Head	271.1	265.5	236.3	87	89	400.4	362.0	90
Red Meat 3/	Million Lbs.	3,907.1	4,154.4 *	3,526.0	90	85	43,309.2	42,660.7	99

1/ Includes slaughter under Federal inspection and other Commercial slaughter, excludes farm slaughter. 2/ Accumulated totals and percentages based on unrounded data. 3/ Red Meat is based on packers' dressed weights and excludes farm slaughter. 4/ Data not published to avoid disclosing individual operations. * Revised.

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