



U.S. Hog Industry, 1994–2014



About this Publication

This publication is part of a series of NASS Highlights providing sector summaries drawn from the regular surveys that USDA's National Agricultural Statistics Service conducts and publishes. The data included here cover the period 1994 to 2014; they are drawn from a statistical report published in October 2015. Most of the analysis covers the two decade period, but some comparisons are also made with 2008, the latest data when NASS last published an overview of the hog industry.

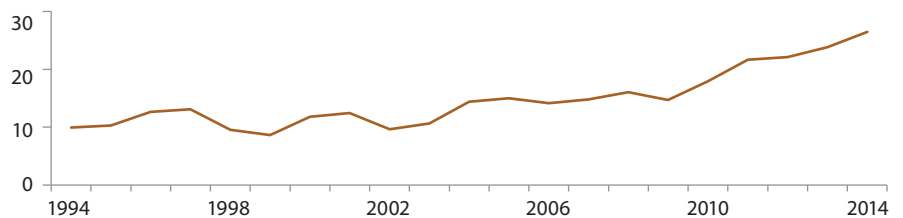
View both the 2009 and the 2015 statistical overview reports at http://bit.ly/US_HogIndustryOverview.

Over two decades, the U.S. hog industry has increased substantially in value, as has the income producers receive, even though total inventory has remained relatively constant. The industry continues to be concentrated in a small number of states but how it is organized and operates has changed.

Overview

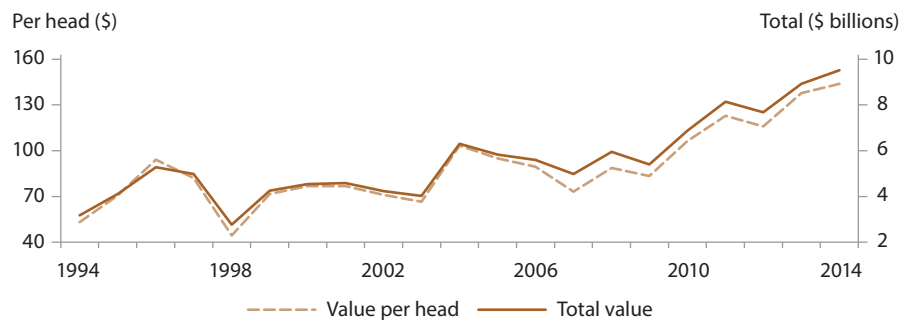
Between 1994 and 2014, gross income for U.S. hog and pig producers increased 166 percent, from \$9.9 billion to \$26.5 billion (Fig. 1). The value per head and the total value of the herd increased similarly, with the value per head going from \$53 to \$144 between 1994 and 2014, and the total value nearly tripling from \$3.2 billion to \$9.5 billion (Fig. 2). Average annual inventory of hogs and pigs increased just 7 percent, from 60.1 million in 1994

Fig. 1. U.S. Hog and Pig Gross Income, 1994 - 2014 (\$ billions)



Source: USDA NASS.

Fig. 2. Per Head and Total Value of U.S. Hogs and Pigs, 1994 - 2014



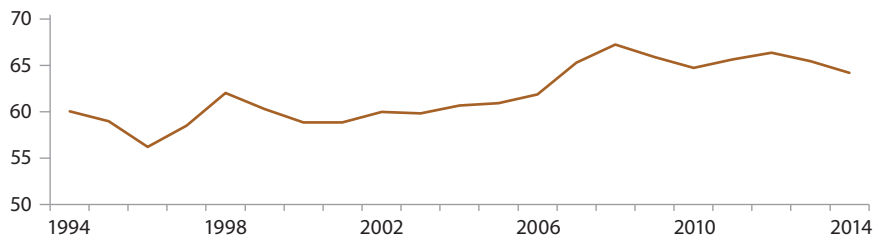
Source: USDA NASS.

to 64.2 million in 2014, after rising to 67.3 million in 2008 (Fig. 3).

The industry remains concentrated in a few states in the Midwest and North Carolina. Nine of the top ten states in hog and pig inventory were the same in 1994 and 2014, although the rank order among the states shifted slightly. In 1994, the top ten states accounted for 82 percent of inventory; by 2014, the top ten accounted for 87 percent.

Over the 20-year period, three major changes have occurred in the industry: increased efficiency in production, industry consolidation, and increased values per head.

Fig. 3. Average Annual U.S. Hog and Pig Inventory, 1994 - 2014 (million head)



Source: USDA NASS.

Top States in Hog and Pig Inventory – 1994 and 2014

1994* U.S. Total = 59.7 million		2014* U.S. Total = 67.8 million	
	(% of total)		(% of total)
Iowa	24.3	Iowa	31.4
North Carolina	11.7	North Carolina	13.0
Illinois	9.0	Minnesota	12.0
Minnesota	8.1	Illinois	6.9
Nebraska	7.3	Indiana	5.5
Indiana	7.2	Nebraska	4.7
Missouri	5.9	Missouri	4.2
Ohio	3.0	Ohio	3.3
South Dakota	2.9	Oklahoma	3.1
Kansas	2.3	Kansas	2.7

*Inventory on December 1.

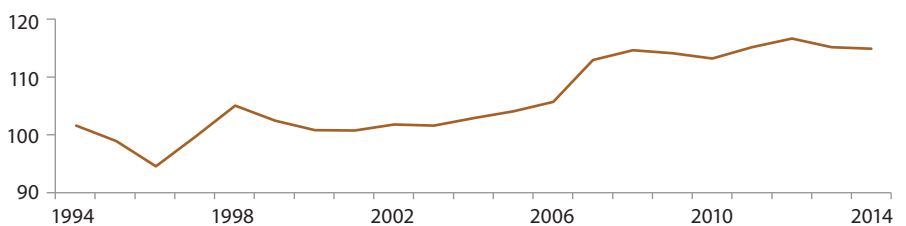
Increased Production Efficiency

Annual pig production fluctuated year by year but increased overall from 101.5 million pigs in 1994 to 116.7 million in 2012. The subsequent declines in 2013 and 2014 are widely attributed to the effects of the Porcine Epidemic Diarrhea Virus (PEDv) affecting hog and pig operations. (Fig. 4)

Producers were able to increase the pig crop by making the breeding herd more efficient while also increasing litter size. The breeding herd includes not just the sows that farrow pigs but also gilts (females that have never farrowed) and boars (males kept for breeding purposes).

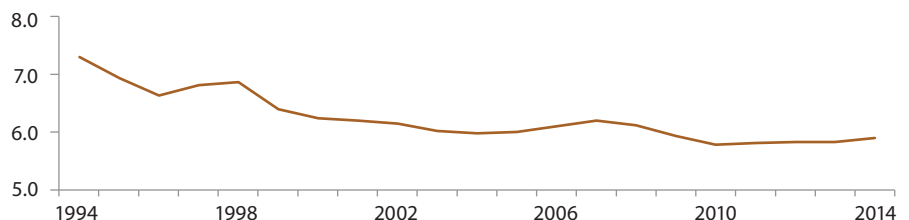
Between 1994 and 2014, producers

Fig. 4. Annual U.S. Pig Crop, 1994 - 2014 (million head)



Source: USDA NASS.

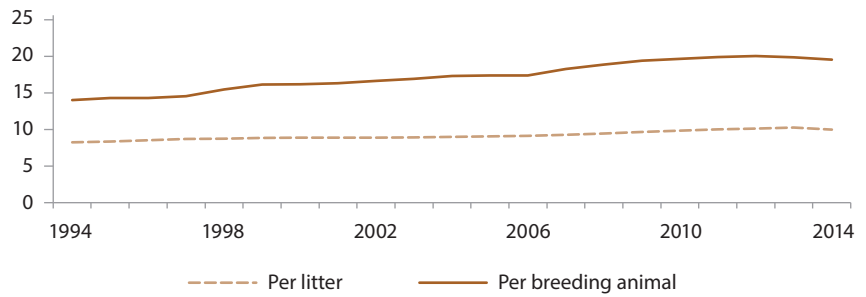
Fig. 5. U.S. Breeding Herd, 1994 - 2014 (million head)



Source: USDA NASS.

decreased the size of the breeding herd 19 percent from 7.3 million to 5.9 million (Fig. 5). During that time, the average number of pigs per litter increased from 8.2 in 1994 to 9.9 in 2014; the average number per breeding animal per year increased from 13.9 to 19.5 (Fig. 6).

Fig. 6. Average Number of Pigs, per Litter and per Breeding Animal, 1994 - 2014



Source: USDA NASS.

Industry Consolidation

Historically operations with fewer than 5,000 hogs and pigs (small operations) produced most of the annual pig crop. But in recent decades the industry has consolidated, many small operations have closed or merged with other operations, and operations with 5,000 or more hogs and pigs (large operations) now produce most of the pig crop and hold most of the hog and pig inventory.

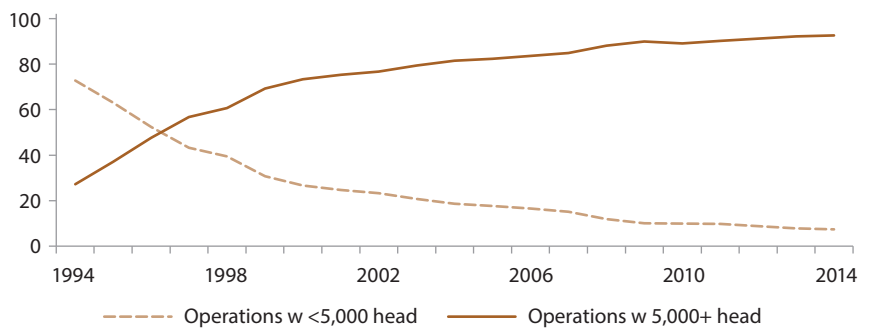
In the mid-1990s, small and large operations reached equilibrium with each producing half the annual pig crop, but the long-term trend toward consolidation and increasingly larger operations continued. In 2014, operations with 5,000 or more hogs and pigs produced 93 percent of the annual pig crop, up from 27 percent in 1994 and 88 percent in 2008. Conversely, operations with fewer than 5,000 hogs and pigs accounted for 7 percent of the pig crop in 2014, down from 12 percent in 2008 and 73 percent in 1994. (Fig. 7)

From the Census of Agriculture, we know that large operations accounted for only 5 percent of hog and pig operations in 2012, but they held 68 percent of the inventory. The 95 percent of operations with fewer

than 5,000 head accounted for 32 percent of inventory in the 2012 Census.

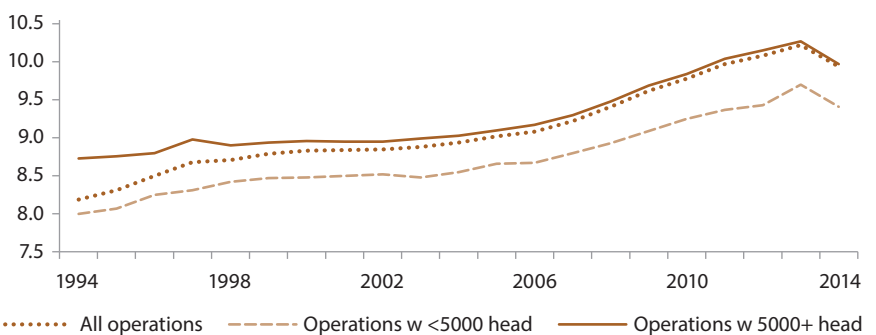
Although they are a small proportion of farms, large operations not only have more inventory but their sows also produce larger litters. In 1994, the average litter on small operations was 8.0 pigs, compared with 8.7 pigs on large operations. By 2014, the average size litter was 9.4 pigs for small operations, and 10.0 for large operations. (Fig. 8)

Fig. 7. Share of Annual Pig Crop by Size of Operation, 1994 - 2014 (percent)



Source: USDA NASS.

Fig. 8. Average Number of Pigs per Litter by Size of Operation, 1994 - 2014



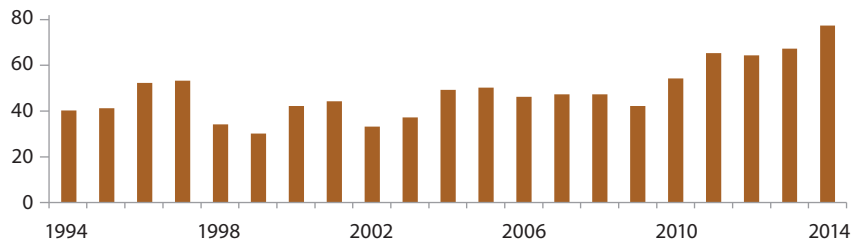
Source: USDA NASS.

Increased Value per Head

The increased value per head shown in Fig. 2 (from \$53 in 1994 to \$144 in 2014) reflects both increases in average prices and increases in slaughter weights. Between 1994 and 2014, average market prices nearly doubled, with considerable fluctuation in the intervening years: \$40 per hundred pounds in 1994, \$30 in 1999, \$47 in 2008, and \$77 in 2014 (Fig. 9).

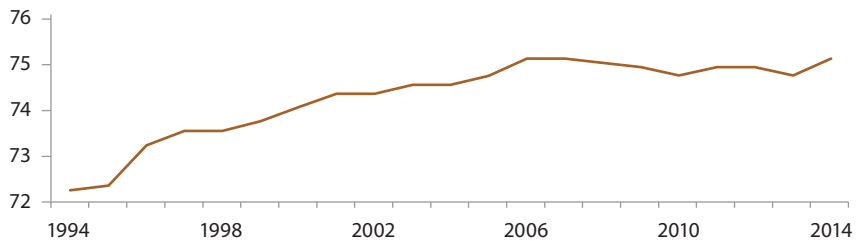
Slaughter weights of federally inspected hogs increased steadily throughout the period, with dressed weights increasing at a quicker pace than live weight. In 2014, dressed weight accounted for 75 percent of the live weight, compared to 72 percent in 1994, reflecting the increased proportion of the animals used for food or other purposes (Fig. 10).

Fig. 9. Average Price for Hogs, 1994 - 2014 (\$ per hundred pounds)



Source: USDA NASS.

Fig. 10. Dressing Percent of Hogs, 1994 - 2014 (dressed weight as percent of live weight)



Source: USDA NASS.