

# Get ready to pay more for pork

By [Rita Jane Gabbett](#) on 6/20/2014

U.S. consumers already paying more for pork at the grocery store can expect more of the same; USDA predicts retail pork values will hit \$4 a pound during the last half of 2014.

Retail pork values computed from the U.S. Bureau of Labor Statistics and USDA's

Agriculture Marketing Service data indicate the computed per pound retail pork value in May was \$3.95, almost 13 percent higher than May of last year.

The second-quarter value is expected to be in the mid-\$3.90s, with second-half 2014 retail pork values likely to break through the \$4 per pound level, the agency predicted in its latest Livestock, Dairy and Poultry Outlook report.

Higher 2014 values through April likely reflect tight supplies of pork, as well as of beef and broilers.

## **Heavier hogs**

USDA raised its pork production forecasts slightly for the second through fourth quarters of 2014, with total 2014 pork production expected to be 22.8 billion pounds, about 1.6 percent below a year earlier.

The quarterly increase is premised on continued higher average dressed weights as well as higher than expected slaughter in the second quarter. Heavier animals are expected to partially offset lower numbers of slaughter hogs due to porcine epidemic diarrhea virus (PEDv)-related piglet deaths. For the year, average dressed weights are expected to be about 213 pounds, more than 6 pounds above average weights in 2013.

Since the onset of PEDv, pork producers have leveraged lower feed costs and PEDv-generated excess barn space to feed animals to higher weights in response to higher hog prices.

## **Pork exports**

U.S. pork exports in April were more than 436 million pounds, a volume almost 10 percent larger than exports a year ago.

Foreign demand for U.S. pork in April likely increased in part, due to expectations of continued tightness of U.S. pork supplies.

It also appears that some major buyers of U.S. pork—Japan, Mexico, Colombia, South Korea, and Taiwan—are now experiencing animal disease outbreaks, which could result in increased demand for U.S. pork products.

### **Pork imports**

It is notable that U.S. pork imports have increased more than 5 percent in the first 4 months of 2014 compared with the same period last year. In April, pork imports were almost 14 percent higher than a year ago.

It is likely that high U.S. pork prices—in an environment of PEDv-reduced supplies—are attracting increased shipments from abroad, the report surmised.

While U.S. imports from Denmark have increased almost 24 percent, April import data, in particular, show increased shipments from countries whose pork products are not typically competitive in the United States due to their high production costs. The data show larger imports from the United Kingdom (+32 percent), Ireland (+24 percent), Germany (+41 percent), Hungary (+73 percent), Spain (+67 percent), and Italy (+20 percent).

For the second quarter of 2014, U.S. pork imports are expected to be 230 million pounds, almost 10 percent above the same period a year ago. For 2014, imports are expected to be 922 million pounds, about 5 percent higher than last year.

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