



221 E. MAIN  
ARCOLA, IL  
61910  
217-268-3885  
TOLL FREE  
1-888-543-3885

**EDWARDS  
FUNERAL HOME**

OUR FAMILY  
JEFF, LISA, CARA, TAYLOR & BEAU EDWARDS

## LINDENMEYER INSURANCE

"OUR BUSINESS IS SERVING YOU"



PHONE: 268-3041

406 E. Springfield Rd. - Arcola, Illinois 61910

## Otto Real Estate, Inc.

"Our Integrity Is Your Security"

### Apartments For Rent

P.O. Box 244, 105 East Main, Arcola, IL 61910

Phone: 217-268-3051 • Fax: 217-268-3053

w.otto@eqdirectusa.net

## We're here and ready to help.

We know that these are uncertain and challenging times, and your vehicle should be the least of your worries. That's why we are committed to helping you in any way we can - from answering your questions to servicing your vehicle and everything in-between.

Don't come to us.  
We'll come to you.



IF IT'S PILSON IT'S POSSIBLE

# Hog farmers plan to trim the fat amid market losses

By DANIEL GRANT  
FarmWeek

USDA's quarterly hogs and pigs report released June 29 indicates farmers plan to trim the size of the herd as market losses continue to pile up.

U.S. farmers intend to have 2.94 million sows farrow from June through August followed by estimated farrowings of 2.95 million from September through November. If realized, farrowings would be down about 4% the next six months compared to last year.

"I think we'll see lower production numbers as we move into 2024," Tyler Cozzens, ag economist with the Livestock Marketing Information Center, said during a webinar hosted by the National Pork Board (NPB). "That's the signal we're seeing with the farrowing numbers."

Steve Meyer, lead economist with Partners for Production Agriculture, also looks for hog farmers to liquidate a portion of the herd.

He projects there could be only two months of profitability in the industry between now and the end of 2024 with breakeven costs in the mid-\$90s.

Lean hog prices as of June 29 averaged \$95 per hundred-weight in July and \$92 in August but just \$79 in October and \$75 for December.

"This is looking to be one of the worst years we've ever had," Meyer said. "I think it will drive some large liquidation in the business."

Meyer believes implementation of California's Proposition 12, which regulates sales of pork, veal and eggs from livestock whose housing doesn't meet minimum space requirements, will also force some farmers to cull sows.

"We believe there are about 50% enough compliant sows at present to meet demand (of Prop 12 in California)," the economist said.

"If that's the case, about 5% of U.S. (pork) production has to find another home," Meyer



continued. "We think there will be a market impact the second half of the year due to production that can't get into California."

There is a caveat, however, about the expectations of lower pork output moving forward. While farmers plan to farrow fewer sows, their efficiency and production increased significantly in the past quarter to an average of 11.36 pigs saved per litter, up 3.3%.

Meyer and Cozzens believe the productivity boost is due in part to fewer disease issues in the herd and genetic potential improving about 1.5% each of the past three years.

"The big jump in productivity will be important to watch in future months," Meyer said. "We have to reduce the supply of hogs. But it will be a challenge with increased productivity."

Nationwide, the inventory of all hogs and pigs totaled 72.4 million head as of June 1, up 80,000 head from last year. The market hog inventory (66.2 million head) was also up slightly from last year while the breeding inventory (6.15 million head) posted a slight decline.

In Illinois, the June 1 inventory of all hogs and pigs (5.4 million head) was up 3% from last year, the breeding inventory increased by 50,000 head to 670,000 and the market hog inventory (4.73 million) increased 2%.

Looking ahead, if farmers don't reduce hog and pork supplies, Meyer believes the only two options to get back to profitability would come from a substantial boost in demand

or from a significant drop in production costs.

But, while U.S. pork exports are up about 10% so far this year, per capita domestic pork demand has tailed off by nearly 15% as consumers find themselves with less money to spend in an inflationary environment compared to 2020-22.

"Demand isn't bad relative to history. It's just bad compared to the last two years," Meyer said.

David Newman, senior vice president of market growth at NPB, believes pork still has "great opportunities" for demand growth despite the recent pullback.

NPB is focused on promoting underutilized cuts, such as loins, and doubling down on boosting sales of ground pork and sausage the second half of the year. NPB is working with about 8,000 retail stores and 600 food service programs to promote pork.

"We know pork demand is challenging at the present time," Newman said. "But it isn't slowing down our growth strategy."

This story was distributed through a cooperative project between Illinois Farm Bureau and the Illinois Press Association. For more food and farming news, visit [FarmWeekNow.com](http://FarmWeekNow.com).



Published each Wednesday at Arcola, Illinois,  
118 E Main St., Arcola, IL 61910  
Phone 217.543.2151

Like us on Facebook:  
[www.facebook.com/ArcolaRecordHerald](http://www.facebook.com/ArcolaRecordHerald)

**Greg Hoskins, Publisher**  
ghoskins@heraldpubs.com

**David Porter, Regional Managing Editor**  
presseditor1@gmail.com  
217.991.0935

**Stephanie Wierman,**  
Regional Manager/Advertising Director  
swierman@consolidated.net

**Nancy Rairden, Composing Room Manager**  
arcolarecordherald@gmail.com

**SUBSCRIPTIONS** in Douglas, Coles & Moultrie counties: \$50/year. Elsewhere (U.S.), \$60/year.

**ARCOLA RECORD-HERALD** (USPS 029820)  
published weekly in Arcola, Illinois, © Copyright 2023.  
All rights reserved. Volume 157, number 11  
Date of issue: Wednesday, July 19, 2023

**POSTMASTER:** Please send address changes to  
ARCOLA RECORD-HERALD, P.O. Box 19,  
Arthur, IL 61911

Periodical postage paid at Arcola, Illinois.



## If you're ready to get down to business, we're your bank!

Whether you need an equipment loan, merchant card services or a simple business checking account, we offer products and services designed to minimize your risk and maximize your cash flow.



To learn more, give us a call or visit our banking center.



127 South Oak • 217-268-4911 • [www.arcolafb.com](http://www.arcolafb.com)