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A2 THE WALL STREET JOURNAL FRIDAY, NOVEMBER 27, 1998

ECONOMY

Hog Market Collapses on Glut of Animals

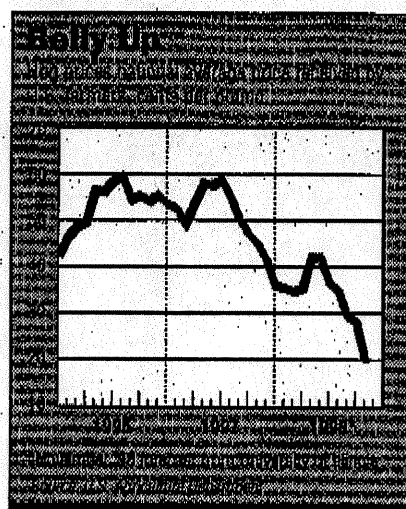
Price Plunge Fattens Profit For Some at Expense Of Farmers, Consumers

By SCOTT KILMAN
Staff Reporter of THE WALL STREET JOURNAL

CHICAGO—The hog market has collapsed, delivering another blow to a U.S. farm economy already reeling from low grain prices.

It isn't yet showing up in the supermarket price of pork chops, but swine prices at the farm are at their lowest level in 27 years. The reason is a glut of hogs. Herds have grown so enormous that farmers are shipping a record 2.2 million swine weekly, stretching slaughterhouses to the limit, and there is no quick way to stop the flow.

Many hog farmers are losing thousands of dollars a week. Some economists are predicting as many as one-fifth of the nation's 122,000 hog farmers will quit the business by next summer. Mostly small operators are folding, leaving more and more of the sector to big factory-style farms.



"This is a blood bath," said Gilbert Hollis, a University of Illinois swine specialist. The price of hogs in Omaha, Neb., on Wednesday was 16.6 cents a pound, down 63% from the similar 1997 date.

In Keosauqua, Iowa, James Meyer spent his life savings four years ago to erect four modern hog buildings. The 46-year-old farmer's partnership lost nearly $500,000 this year on the venture. He is closing down and laying off his seven employees. He has sold his breeding herd of 1,400 sows, but doesn't have the money to pay construction loans totaling hundreds of thousands of dollars. "It was my dream to start a new farm," Mr. Meyer says. "Now I'm losing my livelihood and worrying about losing my house."

On the opposite side of the state in St. Ansgar, Mike Borcherding, 45, expects to lose $44 on each of the 40 hogs he is slated to deliver to a meatpacker today. He is putting off buying a grain wagon and is slashing costs. He shot a sow that needed a routine $50 medical procedure.

"I hated to do that but she just wasn't worth it at these prices," Mr. Borcherding says. "I'm just hoping someone else will quit before I have to."

Some farmers are taking out newspaper ads offering free pigs. Some Iowa merchants are buying hogs and giving them away to call attention to the hardship facing farmers.

The National Pork Producers Council, which represents hog farmers, is taking the unusual step of asking Washington for disaster assistance, which could include

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Hog-Market Collapse Delivers Another Blow To Farm Economy

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hundreds of millions of dollars in emergency loans.

The big winners of the price plunge so far are meat packers, supermarkets and restaurants, many of whom have been slow to pass along their lower meat costs to consumers. Chris Hurt, an agricultural economist at Purdue University in West Lafayette, Ind., calculates meat processors and retailers are reaping roughly $4 billion more from pork this year than they did in 1997—at the expense of farmers and consumers.

Some supermarket chains, particularly those in the Farm Belt, are beginning to lower meat prices. Hy-Vee Inc., a Chariton, Iowa, operator of 179 stores, has cut prices of everything from chops to boneless loins by about 30% since the summer.

But many retailers are enjoying record margins on pork, according to monthly surveys by the U.S. Department of Agriculture. In October, the most recent department data available, the weighted average retail price of a composite of pork cuts was $2.302 a pound, just pennies under the record. That means only 18% of the consumer dollar spent on pork is going in the pockets of farmers, a record-low share.

Falling raw material costs helped IBP Inc., the Dakota City, Neb., meat packer, double its profit for the third quarter ended Sept. 26. Rival packer Smithfield Foods Inc., of Smithfield, Va., on Monday reported record earnings for the second quarter ended Nov. 1. Bob Evans Farms Inc., the Columbus, Ohio, restaurant operator, said a 46% drop in its cost of buying hogs helped double the operating profit of its sausage business during the quarter ended Oct. 23, compared with the year-earlier period.

One exception is Hormel Foods Corp., which is paying far more for hogs than most of its competitors. Hormel has long-term contracts that, based on a fixed formula, are paying hundreds of farmers roughly twice what other farmers are getting. The Austin, Minn., meat company reported Wednesday that profit for the fourth quarter ended Oct. 31 rose only 1.1%, which was below Wall Street expectations.

Gary J. Ray, Hormel's executive vice president, said the company expects to eventually recoup its additional expenses over the five- to 10-ten-year life of the contracts. But that will only happen if the market price of hogs rises substantially above its formula price—and few economists see that happening anytime soon.

But for farmers, even these contracts are a double-edged sword. While they are getting a profitable price, they are also accumulating a type of debt that is rapidly swelling. As part of these so-called ledger contracts, Hormel keeps track of the above-market price it is paying each produce, which it calls a negative balance.

Some farm state officials are growing concerned about how Hormel might try to recover that money from producers if the hog market doesn't recover quickly enough. Small town bankers near Hormel plants are worried that many of their farm customers will "owe" the company substantial sums of money if hogs prices remain depressed through next year.

"Lots of farmers didn't read these contracts closely enough," said Gordon L. Anderson, president of First Citizens National Bank in Osage, Iowa. "They could face hundreds of thousands of dollars in debt."

Hormel said it has stopped signing up farmers for ledger contracts.

Busts in the hog market are nothing new. Farmers used to respond to gluts by quickly shrinking their herds. But this downturn is steeper and more stubborn than usual largely because of big changes sweeping the hog industry.

Ledger Contracts

New disease-fighting technology and automation are permitting larger numbers of pigs to be raised indoors, out of the weather. Swine can now be produced on such a large scale that corporations such as Continental Grain Co. of New York have jumped into the business.

The overhead of these factory-style farms is so high, they have to operate near full capacity to be efficient. As a result, their owners are much slower to cut their herds in response to a glut than are small farmers, and they have deeper pockets to withstand a downturn. Continental Grain, one of the nation's biggest closely held companies, owns 51% of Premium Standard Farms Inc., which has no plans to cut its breeding herd of 130,000 sows.

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Long-term marketing contracts with packers...

A journey through the downside

By Neil E. Harl and John D. Lawrence***

No one likes risk, especially price risk. Fluctuations in live hog prices and feed costs in recent years have led to innovative arrangements involving risk sharing. Ideally, a producer would like to off-load the downside risk while retaining the upside. Packers would prefer the opposite.

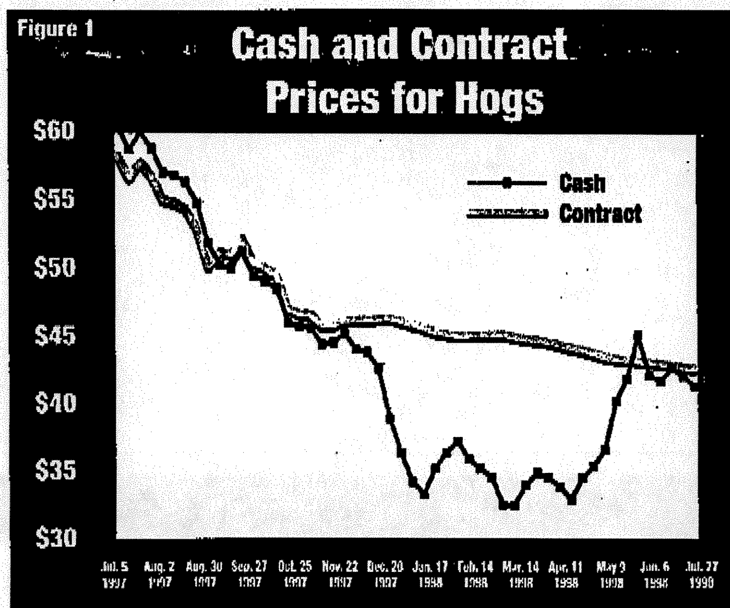
Packer contracts

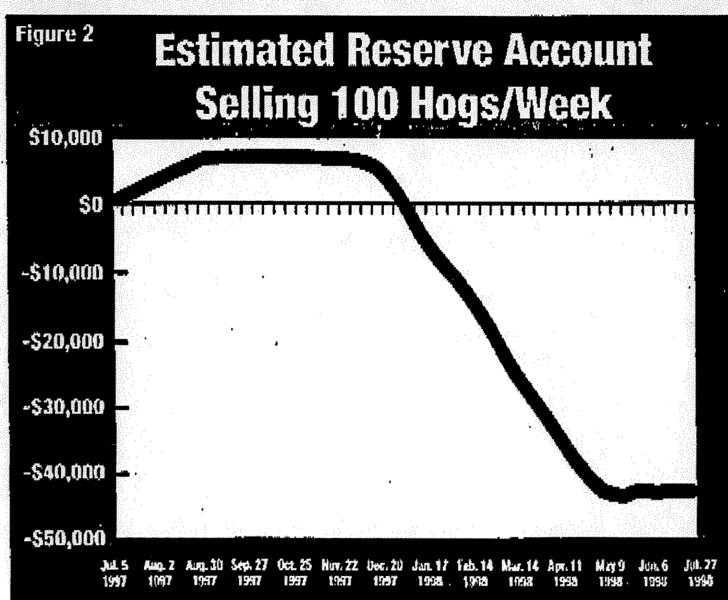
A recent study estimates that 57 percent of 1997 U.S. market hog production is sold under a long-term marketing agreement between the producer and packer. This figure is expected to rise to nearly two-thirds of the 1998 market hog production. While the majority of these agreements are simple formulas tied to the cash market price, a small portion involve risk sharing or cash flow assistance from the packer to the producer. The exact provision in the contract differs across packers and even across contracts from the same packer depending on when the contract was signed as the nature and terms of these contracts have evolved over time.

There has been particular interest in "cost-plus" contracts that establish a minimum floor price that the producer receives for hogs. The floor is based on corn and soybean meal prices plus other cost of production and is designed to help the producer's cash flow but the producer is not necessarily guaranteed a profit. There are several variations on the theme, but in general these contracts loan producers the difference between the market price and floor price when prices are low and the producer pays back the *loan* when the open market price is high. The contract may also require that the producer pay into an account that the packer holds when prices are high to build a reserve for the next downturn in the market.

Figure 1 shows the price paid under one hypothetical contract similar to those offered producers last winter simulated over 52 weeks from July 1, 1997 to June 30, 1998. The cash price is the weekly average price for Iowa-Southern Minnesota barrows and gilts reported by the USDA. The contract requires that the producer pay in a portion of the revenue at higher prices; the producer is paid the floor price at low prices. If the reserve account is used up, the producer is loaned the difference between the cash price and the floor price.

This producer is assumed to have sold 100 hogs a week or 5,200 per year and Figure 2 shows the balance in the reserve account. The producer receives lower prices than other producers during times of high prices, and higher prices than others when cash prices are low. Over the long run, the producer receives the same average prices as everyone else, plus or minus interest, if any, on the reserve account.





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Written for the Iowa Pork Producers Assoc.

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Long-term marketing contracts with packers...continued

Most of these contracts are 4 - 10 years in length. The traditional hog cycle has given us highs and lows that are expected to cause fluctuation in the balance in the reserve account. However, there is concern that an extended down turn in hog prices could result in large sustained negative balances in the reserve account. Although the contracts typically stipulate that the contract must continue until the account balance is zero or for some predetermined period of time, there are questions about the negative balance. Some of these questions include: what is the packer's position relative to the producer's lender, how is the reserve account balance handled on the producer's balance sheet, what if the packer or producer declares bankruptcy, terminates business, or is sold.

Some contracts place limits on the size of the negative balance. One sets the maximum negative balance at $250,000. Others don't impose such a limit.

At the end of the contract term, the program expires. Positive balances are usually paid to the producer without interest. Negative balances are to be paid by the producer in cash, usually without interest, and usually within 30 days. Some contracts provide for continuation of the marketing contract beyond its stated term to work off negative balances.

The problem

Questions are being raised about the consequences of large-and growing-negative balances. What's the position of the packer as a creditor? What does this mean to the producer's lenders? Is a negative balance a current liability? Or should it be viewed as an intermediate term liability? What if the negative balance exceeds the producer's net worth?

The packer's position. Some of the contracts-but not all-specify that the producer is to execute and deliver to the packer upon request security agreements and financing statements under the Uniform Commercial Code. The security agreement contains the details of the amount owed-and identifies the collateral to back it up. The financing statement is filed publicly-usually at the state level-to put everyone on notice this may be a credit obligation against the collateral.

But few contracts say those documents are to be prepared-and filed. If the packer files a financing statement and has obtained adequate documentation for the obligation, the packer would have a security interest in the property described as collateral. But that security interest-which is similar in effect to a lien-would be subject to perfected security interests already in place held by the producer's regular lenders. That could involve a perfected security interest or purchase money security interest in the pigs involved, for example. That means when push comes to shove, and someone moves to grab the collateral, the packer would fall in behind the producer's other creditors with a prior perfected security interest. Of course, if the producer had no creditors-or no creditors with perfected security interests-the packer could be in a first position.

If the packer did not file a financing statement under the UCC, or a security agreement as a financing statement, *the packer is an unsecured creditor.* That would be the case whether or not the producer had other creditors.

The producer's position. What if the ledger account shows a positive balance and the packer files for bankruptcy? It would appear that the producer would be viewed as an unsecured creditor unless the producer had made a UCC filing.

If the regular lender has a security interest in the feed (or in the crop used as feed) which is fed to pigs and the packer has a security interest in the pigs, the courts have generally favored the holder of the security interest in the animals.

Packers and Stockyards Act. Since 1921, purchases of livestock have been governed by the Packers and Stockyards Act passed that year. It has been well established for many years that "unfair" and "deceptive" practices are a violation of P&SA. Many cases have involved failure to make payment. Early cases often stemmed from insufficient funds checks or refusal to honor drafts drawn for the purchase price of livestock. Since 1976, prompt next day payment has been assured unless waived by the producer.

The long-term contracts discussed here seem to involve payment-even though in some cases payment may be a credit against prior negative balances. The more difficult question is whether this type of arrangement, which guarantees a price, violates the Packers and Stockyards Act by restricting access to packers. That would be a particular concern only if larger producers have contracts. Also, the question has not been litigated as to whether these contracts could be construed, in some instances, as credit sales under the prompt next-day payment provision of P&SA or as a loan to the packer.

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Long-term marketing contracts with packers...continued

Is it a current liability?

From a lender's perspective-and the lender's regulator's perspective-is it a current liability or an intermediate term liability? If it's a current liability, it could cause loan classification problems.

Because the liability arose out of the sale of current assets, it's likely to be treated as a current liability unless it's secured by other than current assets. As a result a producer may have sufficient working capital due to the contract, but a poor current ratio. This could be upsetting to bank examiners.

Limit on negative positions

Many of the contracts do not place a limit on negative balances and do not contain a procedure for early termination of the contract if balances balloon to levels exceeding the producer's net worth. Clearly, the contracts were not drafted with the thought that negative balances would pose a serious financial problem for the parties.

Some contracts call for negative balances to be paid to the packer within 30 days after termination of the contract, as noted. That will be difficult for some producers and next to impossible for a few.

In conclusion

The contracts were designed as a risk management tool and a way to even out cash flow. In normal circumstances, the contracts work well as price fluctuates around the price floor with the price floor close to the long-term average price. However, continued low prices cause negative ledger balances to increase. In those instances, it's a time bomb with the potential for causing some financial – and legal – turmoil. ❑❑

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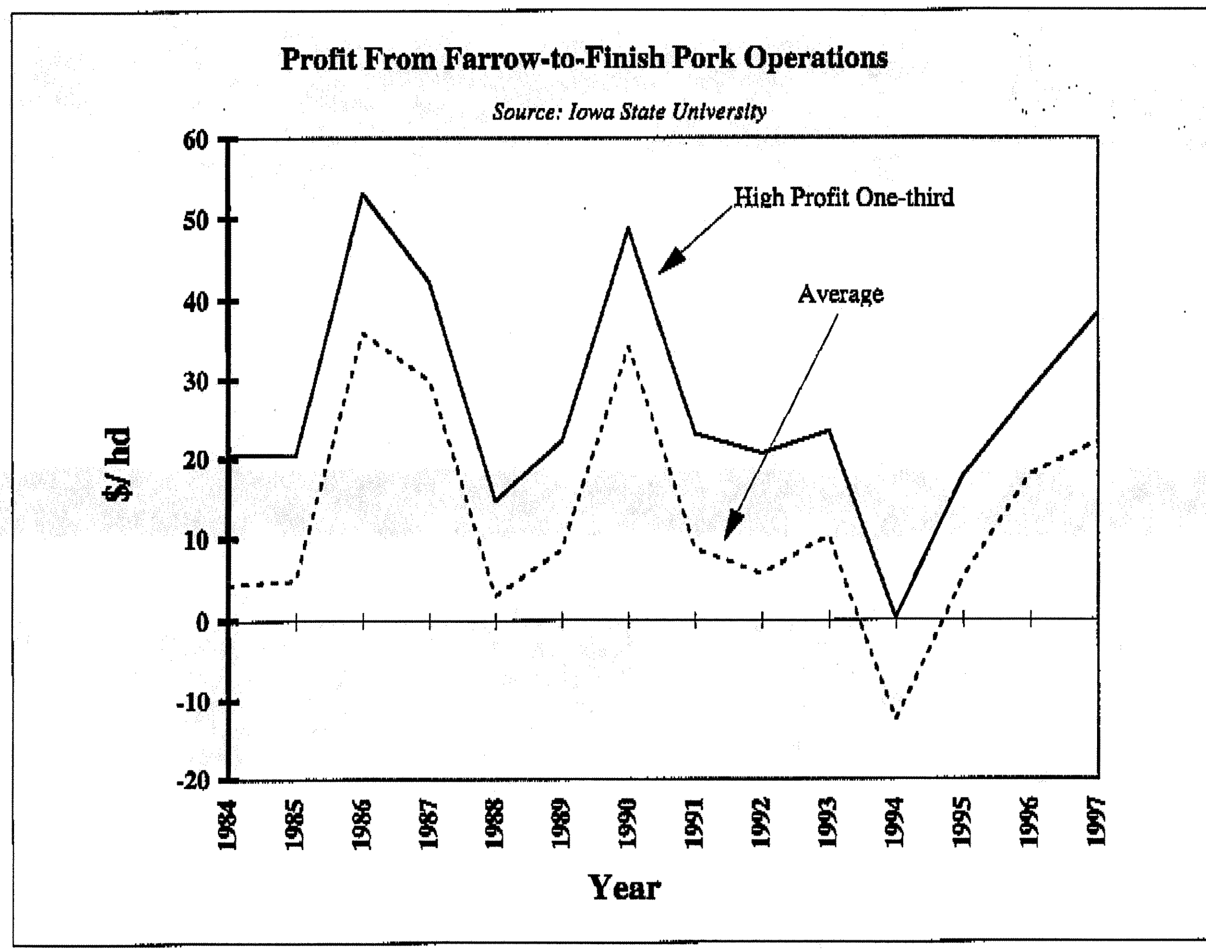
Profit From Farrow-to-Finish Pork Operations
Source: Iowa State University
60
50
40
30
20
10
0
-10
-20
$/hd
High Profit One-third
Average
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
Year

FINANCIAL DATA *(Cont'd)*

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COST OF FINISHING MARKET PIGS FROM 50 LBS. TO 250 LBS., (JANUARY 1998)

(per head)

Corn	$24.96
Supplement	26.18
Non-feed costs (including labor)	26.33
Transportation	1.75
Total finishing costs	$79.21
Cost per cwt. produced	$39.61

Note: Many producers have different costs depending on labor, capital and management.

Source: Iowa State University

AVERAGE COSTS OF PRODUCING 50 LB. FEEDER PIGS (JANUARY 1998)

(per litter)

Corn	$ 63.91
Supplement	67.80
Non-feed costs (including labor)	249.94
Total cost per litter	$381.65
Cost per 50 lb. pig	$ 45.43

Note: Many producers have different costs depending on labor, capital and management.

Source: Iowa State University

COST OF PRODUCTION AND PROFIT PER HEAD IOWA FARROW-TO-FINISH SWINE ENTERPRISES

	TOTAL COST OF PRODUCTION			PROFIT PER HEAD				
YEAR	HIGH PROFIT ONE-THIRD	AVERAGE	LOW PROFIT ONE-THIRD	HIGH PROFIT ONE-THIRD	AVERAGE	LOW PROFIT ONE-THIRD	AVG. SELLING PRICE	CORN PRICE
		($/cwt)			($/head)		($/cwt.)	($/bu.)
1984	42.37	47.54	53.24	20.45	4.34	(12.89)	48.65	2.97
1985	35.64	40.58	45.93	20.30	4.85	(11.32)	44.61	2.41
1986	33.65	38.02	43.02	53.20	35.89	18.62	51.09	1.83
1987	31.50	36.17	41.03	42.41	29.91	17.07	51.77	1.45
1988	36.28	40.85	45.76	14.62	2.93	(9.89)	43.93	2.19
1989	37.01	41.89	47.15	22.26	8.61	(5.63)	44.80	2.34
1990	35.90	41.49	47.56	48.77	34.14	18.90	55.24	2.31
1991	35.49	40.77	46.79	23.04	8.74	(7.49)	49.53	2.28
1992	34.54	39.97	45.96	20.63	5.62	(12.70)	43.11	2.21
1993	36.10	40.94	46.25	23.41	10.36	(3.93)	45.76	2.21
1994	36.05	40.63	46.02	0.17	(12.55)	(28.66)	39.63	2.30
1995	36.09	40.55	45.17	17.78	5.21	(7.71)	43.38	2.53
1996	44.03	48.94	54.47	28.46	17.95	6.32	53.86	3.68
1997	40.34	44.84	51.12	38.18	21.99	4.03	52.99	2.42

Source: Iowa State University

RETAIL MEAT PRICES AND PORK PRICE SPREADS

Item	1987	1988	1989	1990	1991	1992	1993	1994	1995	1996	1997
	(Cents Per Pound of Retail Weight)										
Loin Chops	282	277	285	327	327	315	324	322	329	341	348
Sliced Bacon	214	188	177	213	222	192	193	199	217	247	268
Ham, rump or shank half, bone-in, smoked	168	159	160	185	168	149	159	164	158	187	194
Beef, Choice Grade	238.4	250.3	265.7	281.0	288.3	284.6	293.4	282.9	284.3	280.2	279.5
Pork Retail Value	188.4	183.4	182.9	212.6	211.9	198.0	197.6	198.1	194.8	220.9	231.5
Pork Wholesale Value	113.0	101.0	99.2	118.3	108.9	98.9	102.8	99.0	98.8	117.2	110.2
Pork Farm Value	82.7	69.4	70.4	87.2	74.5	67.8	72.5	63.0	66.7	84.6	81.1
Wholesale-Retail Spread	75.4	82.4	83.7	94.3	103.0	99.1	94.8	99.1	96.0	103.7	121.3
Farm-Wholesale Spread	30.3	32.4	28.8	31.1	34.4	31.1	30.3	27.0	32.1	32.6	36.0
Consumer Price Index (1982-84=100)	113.7	118.3	124.0	130.7	136.2	140.3	144.5	148.2	152.4	156.9	160.5

Source: USDA and Bureau of Labor Statistics

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What is NPPC Doing About the Market?

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An Open Letter to Pork Producers from the Board of Directors of the National Pork Producers Council (NPPC)

Dear Pork Producer:

The current market for live hogs is a disaster. We recognize the crisis resulting from the current market, and are trying to do everything in our power to remedy the situation.

In this letter, we will attempt to answer the three key questions that every pork producer is asking: 1) Why are live hog prices so low when retail prices for pork remain high?; 2) What is NPPC doing about this economic crisis?; and 3) What can you as an individual pork producer do?

1) Why are prices so low when retail prices for pork remain high?
The present critical situation is primarily supply driven. It is not that we are producing too much pork - domestic consumer demand and exports are actually up significantly compared to 1997. However, we are producing too many hogs for the *existing* slaughter capacity in the industry. Simply stated, live hog production has gotten so close to slaughter plant capacity and producers have lost bargaining power. Federally inspected slaughter has exceeded more than 2.0 million hogs per week for seven of the last eight weeks. In fact, last week (November 8) was the largest federally inspected hog slaughter in history. Current industry slaughter capacity is estimated at 385,000 head per day. The present slaughter crisis has been further complicated by the loss of approximately 35,000 head of daily slaughter capacity in the last 18 months as a result of the closure of three packing plants (IBP - Council Bluffs, IA; Dakota Pork - Huron, SD; and Thorn Apple Valley - Detroit, Michigan) along with the permanent loss of one shift at Smithfield - Bladen County, NC.

While the present price emergency is primarily supply driven, current margins in the pork chain are troubling. The average retail price in September was $2.31/lb. retail weight. According to USDA's Economic Research Service, producers received a record low 21% of the retail (consumer) price of pork in September. The following table reflects the September, 1998 shares for producers, packers, and retailers, and the average split for 1986 - 1998.

Sector	September '98 Share %	"Normal" Share 86-98
Producer	21	37
Packer	19	16
Retailers	60	47

It is important to note that while some retailers are not featuring pork, more than 23,000 grocery stores (20 major chains) **are** aggressively featuring pork and dramatically narrowing margins as part of the Pork. The Other White Sale campaign to enhance the movement of pork. Although it is not reflected in today's farm level prices, retail demand for pork is **up** 7.1 percent versus last year. By comparison no other meat protein (Beef - 0.7%, chicken - 1.5%, turkey - 0.6%) has a positive retail change increase this year.

2) What is NPPC doing to address this economic disaster?
NPPC is aggressively working on the slaughter capacity issue and encouraging packers and retailers to significantly narrow margins to more reasonable levels. Regarding slaughter capacity, NPPC is communicating with every packer in the United States asking them to increase slaughter capacity through increased chain speeds, overtime/second shifts, Saturday and/or Sunday kills. We need to achieve the ability to slaughter 2.2 million head per week in the near term. The loss of slaughter capacity during the last 18 months is now haunting us. Regarding margins, NPPC is requesting that every pork packer and processor and retailer participate in a major "Couponing Initiative" on loins and hams. We are asking that packers/processors and retailers cover the redemption cost of the coupon for this effort. This substantial couponing initiative will effectively reduce current price spreads and offer consumers a better value.

In addition, NPPC has a large number of checkoff funded programs in place that are designed to increase the domestic and international demand for pork. Should you want additional information on any of these efforts please contact NPPC at 1-800/456-7675 or your website at **www.nppc.org**.

Finally, it is important to note the significant success pork producers are having on demand in 1998. For instance:

- As stated earlier, retail demand is **up** 7.1 percent in 1998. No other meat protein has had a positive demand at the retail level this year. This has been aided by checkoff funded efforts like The Other White Meat Sale, and the introduction of many new products including the McGrilled Pork Sandwich at McDonald's.

- U.S. pork exports are up 32 percent in volume compared to a year earlier despite serious challenges resulting from the Asian currency crisis and the devaluation of the Russian ruble. Further, U.S. pork exports have **exceeded** the previous year's performance for 15 consecutive months. The recent announcement of 50,000 metric tons of pork to Russia in humanitarian aid is a direct result of requests by pork producers across the nation. This single deal is equivalent to 8.8 percent of projected total U.S. pork exports for 1998.
- Per capita consumption of pork is projected to increase by five pounds per person (CWE) in 1998.
- Despite an 11 percent increase in slaughter, pork stocks in cold storage through September have actually been reduced.

We fully recognize that these successes do not mean much to pork producers when hogs are under $20/CWT. It is very important that, in addition to resolving the present slaughter capacity bottleneck, we enhance demand and sell pork profitably.

3) What can individual pork producers do?
While we can offer you no silver bullets in your personal struggle for survival during this crisis, we do believe the following can have a direct and positive effect on the current crisis facing every pork producer.

These actions include:

- **Contact your local retailer and encourage them to regularly feature pork. Sample draft letters and addresses will be available at the NPPC website (www.nppc.org).**
- **If your retailer is part of a retail chain, please contact the corporate office (NPPC has addresses) and request them to regularly feature pork.**
- **Ask retailers to participate in the NPPC "Couponing Initiative"**
- **Contact your packer and encourage them to participate in the NPPC "Couponing Initiative".**
- **Market hogs as light as possible and still capture premiums in your respective packers' buying grid.**
- **Participate in grilling or in-store promotions to encourage consumers to purchase pork.**
- **Think about donating a hog to charity or marketing pork directly to your neighbors through a local locker facility.**
- **This is an opportunity to send letters to your local newspaper editor stressing the value of pork.**

In closing, we fully understand that the current hog market is a disaster for all pork producers. Be assured that NPPC is doing **everything** in our power to address and ultimately resolve this economic crisis. If you have comments, questions, or additional ideas please feel free to contact any of the members of the NPPC Board of Directors. Together, we **will** solve this crisis!

Sincerely,
NPPC Board of Directors

Donna Reifschneider President, Illinois	618/233-3431
John McNutt President Elect, Iowa	319/643-2373
Craig Jarolimek Vice President, North Dakota	701/248-3445
Jill Appell, Illinois	309/484-2611
Jerry Becker, Iowa	319/875-8656
Barbara Campbell Determan, Iowa	712/273-5399
Lynn Green, Minnesota	507/249-3470
Roy Henry, Kansas	785/388-2415
Don Herzog, Montana	406/663-2112
Charlie Lemmon, Indiana	219/636-3259
Tom Pitstick, Ohio	937/879-0154
Dave Roper, Idaho	208/423-4541
Jim Stocker, North Carolina	910/296-0191
Max Waldo, Nebraska	402/683-3525
Randy Buller, Minnesota	612/454-2772
Gary Machan, Nebraska	402/241-3106
Darrell Anderson, Indiana	765/463-3593
Jerry King, Illinois	309/879-2261

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NUMBER OF PIG OPERATIONS BY INVENTORY SIZE GROUPS SELECTED STATES AND UNITED STATES*

STATE	1 - 99 HEAD 1996	1 - 99 HEAD 1997	100 - 499 HEAD 1996	100 - 499 HEAD 1997	500 - 999 HEAD 1996	500 - 999 HEAD 1997	1,000 - 1,999 HEAD 1996	1,000 - 1,999 HEAD 1997	2,000 - 4,999 HEAD 1996	2,000 - 4,999 HEAD 1997	5,000 + HEAD 1996	5,000 + HEAD 1997
AR	2,100	1,900	230	240	60	60	100	90	70	70	40	40
GA	2,700	2,100	500	450	160	120	80	60	30	40	30	30
IL	2,900	2,600	3,300	2,600	1,300	1,200	830	660	370	340	100	100
IN	3,700	2,900	2,400	2,400	1,000	800	500	500	300	300	100	100
IA	4,600	4,500	8,900	6,800	4,300	3,500	2,300	2,000	700	980	200	220
KS	2,400	2,300	1,200	750	310	360	90	90	70	70	30	30
KY	1,800	950	400	270	180	170	70	60	35	35	15	15
MI	3,200	2,800	750	820	170	180	150	150	100	120	30	30
MN	5,000	4,900	3,300	3,100	1,400	1,400	800	850	350	400	150	150
MO	3,600	2,600	2,300	1,900	670	530	260	260	130	160	40	50
NE	2,600	2,300	3,500	2,900	1,100	1,100	550	470	200	170	50	60
NC	4,000	3,700	310	280	190	180	350	340	700	820	450	480
OH	7,000	6,500	2,200	1,700	490	490	200	200	90	90	20	20
OK	3,200	2,600	80	50	20	40	10	20	80	80	10	10
PA	3,800	3,400	800	600	220	200	180	160	80	115	20	25
SD	1,200	950	1,600	1,200	450	400	150	150	60	60	40	40
WI	3,300	3,100	1,000	930	220	210	130	110	40	40	10	10
Other States**	37,700	34,800	3,500	3,000	780	730	450	420	115	130	105	110
US	94,800	84,900	36,270	29,990	13,020	11,670	7,200	6,590	3,520	4,020	1,440	1,520

* An operation is any place having one or more hogs and pigs on hand any time during the year.
** Individual State estimates not available for the 33 other states.

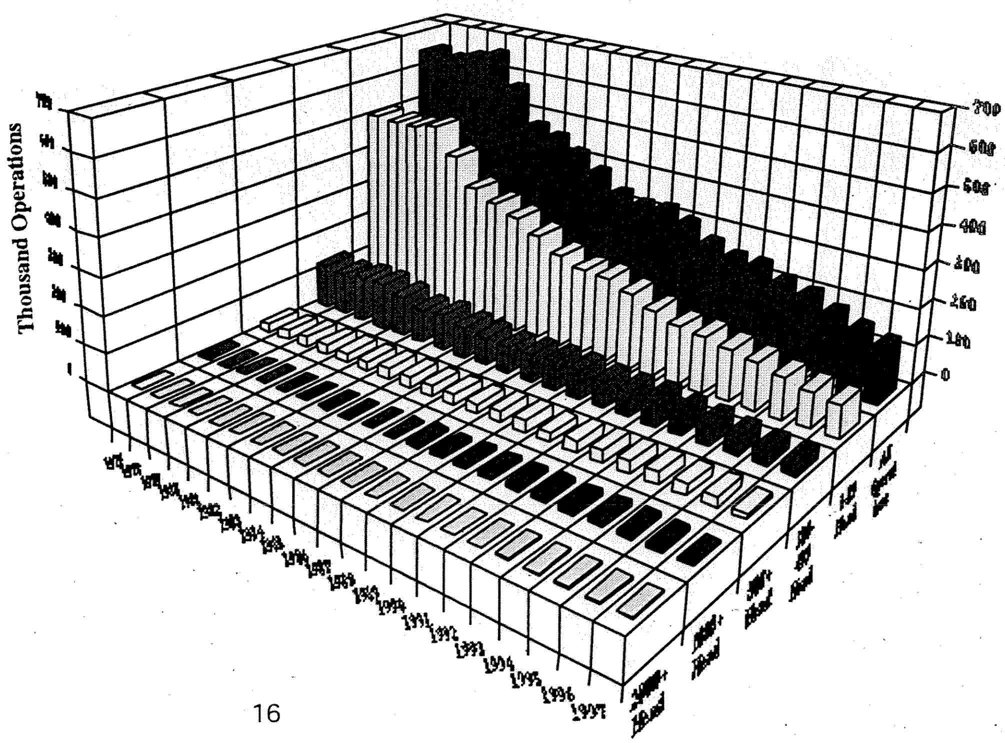
NUMBER OF PIG OPERATIONS BY INVENTORY SIZE

Source: USDA Hogs and Pigs Report, December of each year

Notes:

1) Categories for 500 head or more are cumulative (i.e. the 500+ column includes the 1000+ column which includes the 2000+)

2) An operation is any place having one or more hogs and pigs on hand any time during the year.



Wisconsin

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Year	Hogs produced, hd	No. Operations having as inventory, hd 1-99	100-499	500-999	1000-1999	2000+	Total
1992	2,125,000	5,700	2,300	440	110	50	8,600
1993	2,166,000	5,500	2,300	430	120	50	8,400
1994	2,009,000	5,000	2,000	420	130	50	7,600
1995	1,663,000	4,200	1,500	310	140	50	6,200
1996	1,459,000	3,300	1,000	220	130	50	4,700
1997	1,526,000	3,100	930	210	110	50	4,400

Percent of inventory by operation size

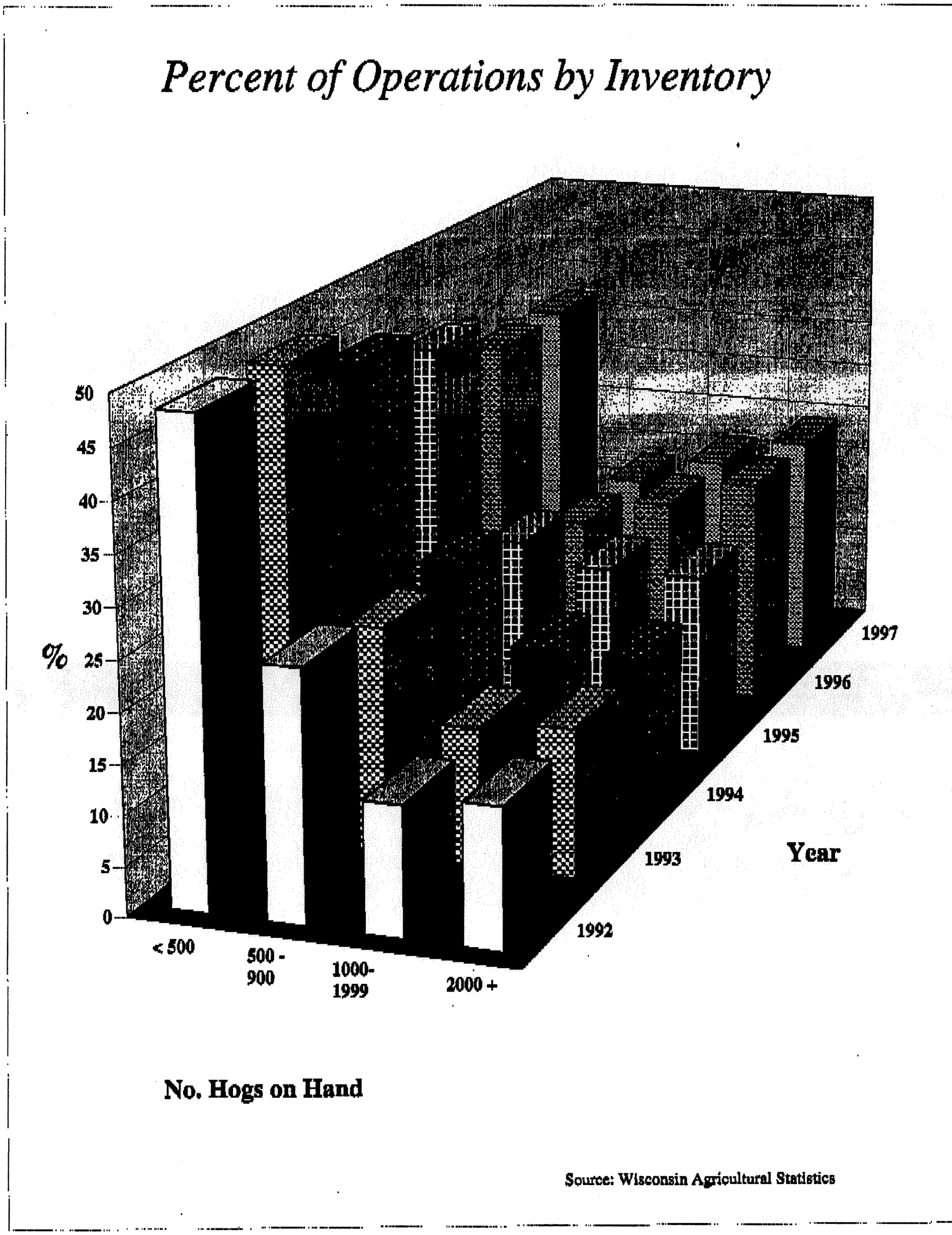
Year	1-99	100-499	500-999	1000-1999	2000+	Total
1992	10	38	25	13	14	100
1993	10	38	23	14	15	100
1994	10	34	24	16	16	100
1995	10	31	21	19	19	100
1996	9	28	18	21	24	100
1997	10	27	19	19	25	100

Operations having 2000+ animals on inventory as a percent of total operation number

Year	Pecent of operations 500+	1000+	2000+	Percent of production 500+	1000+	2000+
1992	6.98	1.86	0.58	52	27	14
1993	7.14	2.02	0.60	52	29	15
1994	7.89	2.37	0.66	56	32	16
1995	8.06	3.06	0.81	59	38	19
1996	8.51	3.83	1.06	63	45	24
1997	8.41	3.64	1.14	63	44	24

Source: Wisconsin Agricultural Statistics

Wisconsin



Source: Wisconsin Agricultural Statistics

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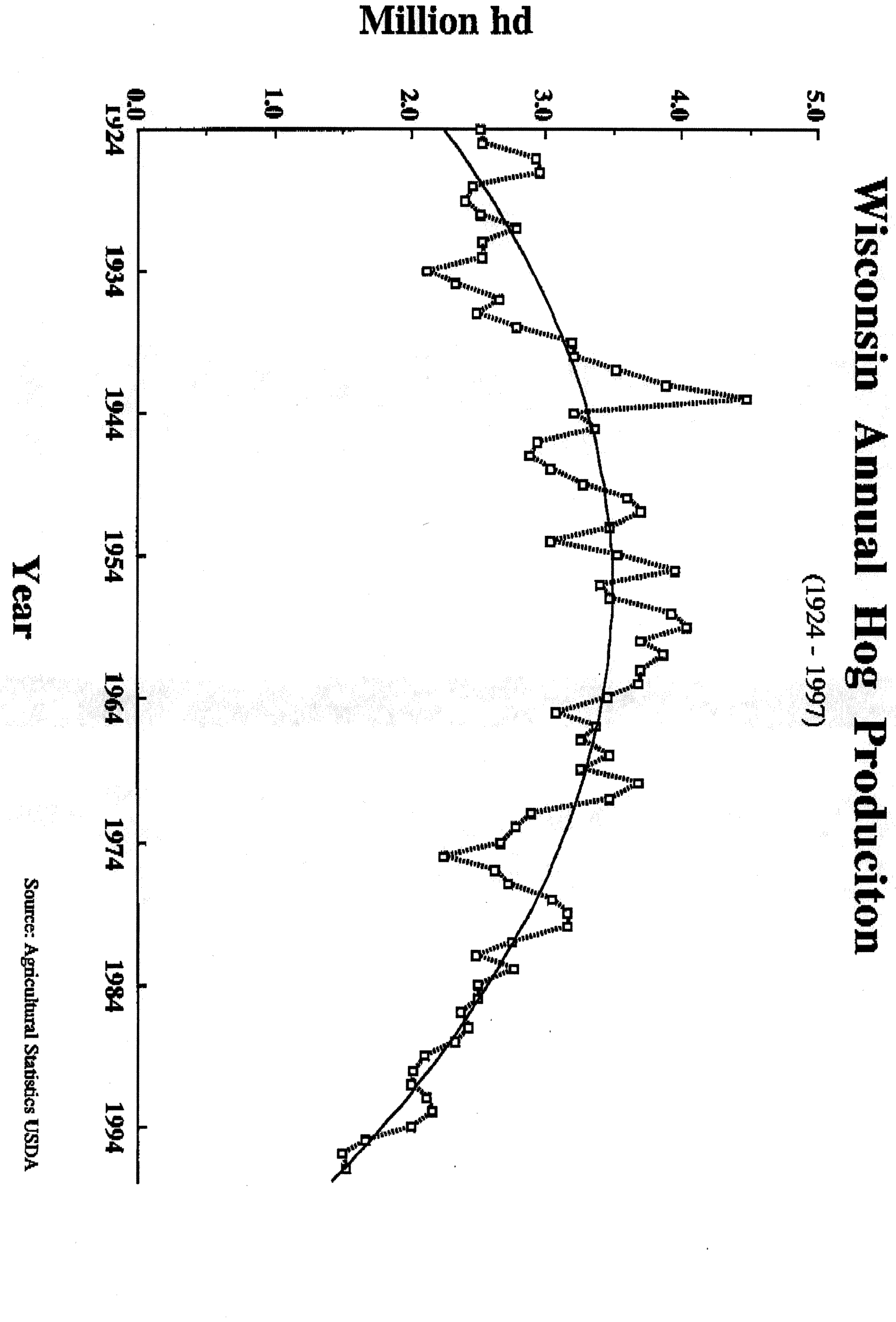
SLAUGHTER & PRODUCTION

LIVESTOCK SLAUGHTER AND MEAT PRODUCTION									
	SLAUGHTER				MEAT PRODUCTION				
YEAR	CATTLE	CALVES	SHEEP& LAMBS	HOGS	BEEF	VEAL	LAMB & MUTTON	PORK	TOTAL
	(Thousand Head)				(Million Pounds)				
1925	14,704	9,936	15,430	65,508	6,878	989	603	8,128	16,598
1930	12,056	7,761	21,125	67,272	5,917	792	825	8,482	16,016
1935	14,805	9,632	22,000	46,011	6,608	1,023	877	5,919	14,427
1940	14,958	9,089	21,571	77,610	7,175	981	876	10,044	19,076
1945	21,694	13,657	24,639	71,891	10,276	1,664	1,054	10,697	23,691
1950	18,614	10,501	13,244	79,263	9,534	1,230	597	10,714	22,075
1955	26,587	12,864	16,553	81,051	13,569	1,578	758	10,990	26,895
1960	26,029	8,615	16,240	84,150	14,753	1,109	768	11,607	28,237
1961	26,471	8,080	17,537	81,970	15,327	1,044	832	11,408	28,611
1962	26,911	7,857	17,168	83,424	15,324	1,015	808	11,827	28,974
1963	28,070	7,204	16,147	87,117	16,456	929	770	12,427	30,582
1964	31,678	7,632	14,895	86,284	18,456	1,013	715	12,513	32,697
1965	33,171	7,788	13,300	76,458	18,727	1,020	651	11,141	31,539
1966	34,173	6,863	13,004	75,382	19,726	910	650	11,339	32,625
1967	34,297	6,110	13,035	83,420	20,219	792	646	12,581	34,238
1968	35,418	5,616	12,120	86,417	20,880	734	602	13,064	35,280
1969	35,573	5,011	10,923	84,968	21,148	637	550	12,955	35,326
1970	35,356	4,203	10,801	87,052	21,652	588	551	13,426	36,217
1971	35,905	3,825	10,965	95,648	21,868	546	555	14,783	37,752
1972	36,134	3,201	10,525	85,865	22,381	458	543	13,617	36,999
1973	34,102	2,404	9,799	77,890	21,377	357	514	12,751	34,899
1974	37,353	3,175	9,064	83,083	23,138	486	465	13,805	37,894
1975	41,464	5,406	8,047	69,880	23,976	873	410	11,503	36,762
1976	43,199	5,527	6,911	74,959	25,969	853	371	12,415	39,608
1977	42,381	5,692	6,555	78,442	25,279	834	351	13,247	39,711
1978	39,970	4,302	5,543	78,417	24,242	632	309	13,393	38,576
1979	34,005	2,927	5,189	90,179	21,446	434	293	15,450	37,623
1980	34,116	2,679	5,742	97,174	21,644	400	318	16,615	38,977
1981	35,265	2,886	6,197	92,475	22,389	436	338	15,875	39,038
1982	36,158	3,106	6,643	82,844	22,536	448	365	14,229	37,578
1983	36,974	3,162	6,792	81,422	23,241	454	376	15,202	39,272
1984	37,892	3,367	6,900	85,641	23,596	495	380	14,812	39,283
1985	36,593	3,455	6,300	84,938	23,728	514	357	14,805	39,404
1986	37,568	3,478	5,762	79,956	24,371	524	337	14,063	39,296
1987	35,890	2,902	5,312	88,136	23,566	429	316	14,374	38,682
1988	35,324	2,565	5,392	81,422	23,590	335	335	15,684	40,004
1989	34,106	2,223	5,559	89,006	23,088	355	348	15,811	39,602
1990	33,439	1,838	5,750	85,431	22,743	327	362	15,353	38,785
1991	32,885	1,484	5,813	88,445	22,917	306	362	16,000	39,584
1992	33,069	1,420	5,585	95,157	23,086	311	349	17,233	40,979
1993	33,504	1,242	5,259	93,296	23,000	286	337	17,100	40,723
1994	34,376	1,315	5,014	95,905	24,396	293	310	17,697	42,696
1995	35,817	1,477	4,631	96,517	25,222	319	287	17,849	43,677
1996	36,583	1,768	4,184	92,394	25,421	368	265	17,084	43,138
1997[1]	36,351	1,574	3,911	91,966	25,401	323	257	17,245	43,266

[1] Preliminary
Source: USDA

1998 hog slaughter believed to reach 100 million hd.



Wisconsin Annual Hog Produciton
(1924 - 1997)
Million hd
0.0
1.0
2.0
3.0
4.0
5.0
1924
1934
1944
1954
1964
1974
1984
1994
Year
Source: Agricultural Statistics USDA

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What is NPPC Doing About the Market?

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A Letter to President Clinton from NPPC President Donna Reifschneider, Smithton, Ill., pork producer

November 20, 1998

The President
The White House
Washington DC 20500

Dear Mr. President:

The nation's pork producers are experiencing an economic disaster. Unlike the prosperity enjoyed by other segments of the U.S. economy, pork producers and their families are close to financial ruin. Unfortunately, most pork producers are not eligible for financial assistance included in H.R. 4328, the Omnibus Consolidated and Emergency Supplement Appropriations for FY 1999. Therefore, on behalf of U.S. pork producers, I am writing to ask for your direct and immediate action to prevent the financial destruction of pork producers and their families.

Prices being paid for live market hogs have plunged below $20 per hundredweight for the first time since 1971, and are the lowest real (deflated) prices in U.S. history. Most pork producers are currently losing $50 to $75 per hog sold. These losses are of such historic proportions that if this dangerous situation is not reversed quickly, it will result in the failure of tens of thousands of pork producers and a massive restructuring of pork production in the United States. We believe the economic crisis facing America's pork producers must be viewed as a national emergency, warranting immediate intervention by the U.S. government.

It is very difficult to accurately document the cumulative economic losses individual pork producers, related industries, and rural communities are experiencing, but it is significant and is growing daily. USDA has estimated that pork producers are receiving approximately $144 million less per week on average than they did during the past five years. Clearly, these losses are creating a devastating equity, liquidity and cash flow crisis among pork producers.

Given the unprecedented economic crisis facing pork producers, we would strongly urge you to consider the following initiatives:

1. Economic Crisis Task Force - We believe that it is imperative that a pork industry economic crisis task force be created to pool the resources, knowledge and expertise of the various agencies of the federal government to address this crisis. Given the economic devastation that pork producers are currently facing, we urge you to convene this emergency task force as soon as possible.

2. Increase Slaughter Capacity - The U.S. pork industry has lost 37,000 head of daily slaughter capacity since June of 1997. This, combined with record slaughter (up 10% over 1997) has created a massive bottleneck for our industry. As a result, a portion of the crisis facing pork producers is supply-driven. Simply stated, we are in critical need of additional slaughter capacity to effectively process the current supply. At the same time, we must avoid disruptions to current slaughter capacity. The following are suggestions to help alleviate this situation:
    1. We must remove the 144,000 head per week production cap on the Carolina Food Processors plant in Tar Heel, North Carolina. This facility is the largest slaughter plant in world, with a capacity of 32,000 head per day. However, the existing production cap limits slaughter to 24,000 head per day. We are requesting that the U.S. Environmental Protection Agency (EPA) inform the State of North Carolina that the National Pollutant Discharge Elimination System (NPDES) permits issued under the Federal Clean Water Act do not require "plant capacity limitations." The removal of this arbitrary production cap would have an immediate and positive impact.
    2. Postpone the Immigration and Naturalization Service's (INS) Operation Vanguard - The pork packing industry is facing a massive shortage of labor. As a result, many pork packers are virtually unable to hire and maintain an adequate labor force to operate at full capacity. We fully support the hiring of only legal workers, however at this time our industry cannot withstand any disruption such as this investigation would cause in the labor pool at packing plants. The INS should be directed to postpone Operation Vanguard, which seeks to document legal alien workers in the pork packing and processing sector. The pork packing sector has pledged to work with INS to address this issue on a responsible and timely basis. The loss of any pork packing plant employees during the current crisis would simply exacerbate the existing problem.
    3. The U.S. - Canada border is open to imports of Canadian hogs for slaughter. We believe it should stay that way.

However, a record number of Canadian hogs are being exported to the U.S. for slaughter, thereby worsening the slaughter capacity bottleneck. This surge of imports is occurring despite excess slaughter capacity in Canada. We would urge your Administration to request the government of Canada to work with its pork sector in an expeditious manner to reverse this trend while opening the Canadian market to U.S. live hogs for slaughter.

4. We would urge your Administration to use all existing programs and authorities to the fullest extent possible to purchase pork and pork products. While the domestic and international demand for pork has been very good, we believe it is imperative to work aggressively to avoid building excessive stocks. Specific suggestions include, but are not limited to, supplemental purchases of pork and pork products for the: 1) breakfast and school lunch (Section 32 entitlement) program; 2) the Emergency Food Assistance Program (TEFAP); 3) purchases under the P.L.480 (Food for Peace) and P.L.416 (Food for Progress) programs; 4) additional or emergency humanitarian assistance initiatives to countries such as Honduras, Nicaragua or Russia, and; 5) utilize the authority in the CCC charter to move significant volumes of pork to address specific food needs. Finally, we encourage USDA to evaluate a program for the export of live breeding animals. While such an effort would have limited impact on these massive supplies, it would provide some outstanding genetics to be made available to pork producers in targeted countries.

3. Credit Forbearance - Most pork producers will face an equity or cash flow crisis that warrants forbearance by their financial lenders. All federal banking and financial institutions should be contacted and urged to work individually with pork producers during this economic crisis.

4. Emergency or Disaster Loan Guarantee Program - Many pork producers have inquired about the availability of a USDA emergency or disaster guaranteed loan program. Should a program be available to pork producers during these trying times, we are certain many pork producers would qualify.

Mr. President, you understand agriculture as well as anyone in the United States. America's pork producers are facing a crisis that necessitates your attention and immediate intervention of the U.S. government. Time is of the essence. We believe that failure to act immediately and decisively will result in thousands of hard working pork producers being forced off the farm. We communicated a similar message to Deputy Secretary of Agriculture Richard Rominger earlier this week. The National Pork Producers Council is committed to working with you and your Administration to resolve this economic crisis facing America's pork producers.

Should you need additional information or wish to meet personally about this please contact me at our family farm in Smithton, Illinois at (618) 233-3431 or Alan Tank, at our office in Des Moines, Iowa at (515) 223-2600.

We ask you to give our emergency request for action your prompt consideration.

Sincerely,

Donna Reifschneider
President
National Pork Producers Council

c: The Honorable Dan Glickman
The Honorable Richard Rominger

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Swine Economics Report
Ron Plain
November 20, 1998
Available at: http://www.ext.missouri.edu/agebb/mgt/bullet1.b

It is a remarkable thing to say with hog prices at their lowest level in 27 years, but the demand for pork has been very strong this year. During the first three quarters of the year, the average American consumed 7.6% more pork than during the same period of 1997. The average price at retail was $2.303 per pound. That is only 0.6% less than during January-September of 1997. A 7% increase in consumption with less than a 1% cut in price is remarkable. This is the best year-to-year increase in domestic pork demand since 1979.

Through September, U.S. pork exports are up 28.14% compared to the same period in 1997.

If pork demand is so strong, then why are hog prices so low? The answer is because consumers want to buy pork not hogs. Someone has to slaughter the hogs and process the pork. Right now we have more hogs ready to market than the packers can handle. Weekly hog slaughter has been over 2 million head for each of the last 8 weeks. During this span, a new weekly hog slaughter record slaughter has been set three times, including this week's 2.173 million head.

The strong demand for pork means that retailers are not having much difficulty moving the record tonnage that is being produced. The shortage of slaughter capacity means that hog prices won't improve significantly until the hog runs are reduced. That could happen fairly soon because of the seasonality of hog slaughter. For the last 7 years, daily hog runs averaged 3.14% higher in November than December and 2.43% higher in December than in January. Unfortunately, there is no guarantee that this winter will follow past patterns. On a daily basis, hog slaughter this past January was higher than either of the two preceding months. If this winter's daily hog runs follow the pattern of last winter, prices could remain at current levels for another 2 months.

MD_LS230
Madison, Wisconsin, Wednesday, Dec. 16, 1998 USDA-WDATCP Market News

Wisconsin direct hog market
Barrows and gilts were steady compared to Tuesday.
Demand: Very light

US 1-2	230-260 lbs	8.50-11.00	at country points
US 1-3	260-270 lbs	8.00-10.50	
US 1-3	270-280 lbs	7.50-10.00	

NOTE: Base carcass price reported at country points: 11.50-14.85.
Prices reflect a 49-51 percent carcass base lean.
Equivalent country live price based on 74 percent dress.
Based on individual packer buying programs.
No premium or discounts included.

Sows: Steady

US 2-3	500 lbs up	6.00- 9.00
US 1-3	300-500 lbs	3.00- 6.00

Receipts:

Tuesdays actual	2,400
Wednesdays estimate	2,700
Last Wednesdays actual	2,600
Week to date estimate	7,800
Same period last week	9,500

Source: Wisc. Dept. of AG-USDA Market News, Madison, WI
Phone 608/224-5097 Rick Tanger

09:25 rht
--0--

WA_LS710
Washington, D.C.   Fri Dec 11, 1998   USDA Market News
Estimated Daily Livestock Slaughter under Federal Inspection

	CATTLE	CALVES	HOGS	SHEEP
Friday 12/11/98 (est)	125,000	5,000	386,000	14,000
Week ago (est)	126,000	5,000	388,000	15,000
Year ago (act)	133,000	7,000	382,000	15,000
Week to date (est)	627,000	28,000	1,936,000	75,000
Same Period Last Week (est)	627,000	25,000	1,929,000	76,000
Same Period Last Year (act)	619,000	32,000	1,855,000	80,000
Saturday 12/12/98 (est)	25,000	0	277,000	2,000
Week ago (est)	35,000	0	226,000	3,000
Year ago (act)	31,000	0	58,000	3,000
Week to date (est)	652,000	28,000	2,213,000	77,000
Same Period Last Week (est)	662,000	25,000	2,155,000	79,000
Same Period Last Year* (act)	648,000	32,000	1,912,000	82,000
1998 Year to date	33,371,000	1,365,000	94,121,000	3,480,000
1997 Year to date*	34,069,000	1,458,000	85,625,000	3,585,000
Percent change	-2.0%	-6.4%	9.9%	-2.9%

*1997 totals adjusted to reflect NASS revisions
1998 Totals are subject to revision
Yearly totals may not add due to rounding

Previous day estimated	Steer and Heifer	Cow and Bull
Thursday	98,000	25,000

*** Revision on Thursday's Cattle Slaughter ... 123,000

Source: USDA Market News, Washington, D.C.
KRH 202-720-7316
http://www.ams.usda.gov/mncs/mn_reports/WA_LS710.txt

USDA

USDA AMS Market News

- Fruits, Vegetables and Specialty Crops
- Milk and other Dairy Products
- Livestock, Meats, Grain, and Hay
- Poultry and Eggs
- Cotton
- Tobacco

- National Weekly Pricing Report for American School Food Service Association and the American Commodity Distribution Association

AMS provides current, unbiased price and sales information to assist in the orderly marketing and distribution of farm commodities. Reports include information on prices, volume, quality, condition, and other market data on farm products in specific markets and marketing areas. Reports cover both domestic and international markets. The data is disseminated within hours of collection via the Internet and made available through electronic means, in printed reports, by telephone recordings and through the news media. To view details about AMS market news reports, including dissemination dates and times, as well as descriptions of the content of individual reports, click here.

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December 1, 1998

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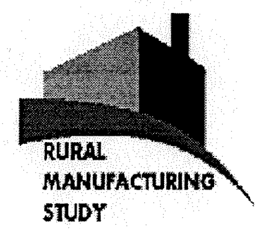
Feature of the Month:

Issues in Rural Manufacturing



Four issue papers relating to the WTO 'Mini-Round' are now on line.

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U.S. Department of Agriculture, Agricultural Marketing Service
Livestock and Seed Division
Livestock Detailed Annual Quotations for 1998
Market: Wisconsin Direct Hogs Madison, WI

Slaughter Hogs Barrows and Gilts

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
U.S.1-2													
230-250	34.53	34.35	33.70	33.99	41.63	41.58	35.74	34.10	28.52	26.83	16.59		33.00 SC
250-270	34.29	33.95	33.47	33.78	41.40	41.26	35.49	33.88	28.05	26.42	16.25		32.69 SD

Slaughter Hogs Barrows and Gilts

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
U.S.1-3													
230-250	34.47	34.18	33.59	33.92	41.58	41.47	35.66	34.01	28.36	26.60	16.45		32.88 SG
250-270	34.24	33.79	33.35	33.72	41.35	41.14	35.41	33.80	27.88	26.19	16.11		32.58 SH

Slaughter Hogs Barrows and Gilts

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
U.S.2-3													
230-250	34.30	33.90	33.38	33.73	41.24	41.17	35.33	33.71	28.04	26.24	16.08		32.59 SK
250-270	33.74	33.26	32.84	33.23	40.86	40.53	34.87	33.25	27.37	25.63	15.49		32.04 SL

Slaughter Hogs Sows

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
U.S.1-2													
300-400	22.70	23.05	24.00	23.43	24.75	25.06	23.37	18.55	14.10	15.31	11.08		20.57 SW
400-500	22.70	23.05	24.00	23.43	24.75	25.01	23.37	18.55	14.10	15.31	11.08		20.57 SX

Slaughter Hogs Sows

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG
U.S.1-3													
500-600	25.84	25.81	26.41	26.23	27.59	26.17	24.18	19.45	16.10	18.02	14.82		22.83 SY

U.S. DEPARTMENT OF AGRICULTURE, AGRICULTURAL MARKETING SERVICE

LIVESTOCK AND SEED DIVISION

LIVESTOCK DETAILED ANNUAL QUOTATIONS FOR 1997

MARKET: Wisconsin Direct Hogs Madison, WI

Slaughter Hogs Barrows And Gilts

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG	
U.S.1-2														
230-250	52.65	50.73	47.56	53.44	57.01	56.96	58.30	54.66	49.67	46.07	44.11	39.71	51.02	SC
250-270	52.24	50.31	47.18	53.10	56.69	56.60	58.08	54.38	49.33	45.70	43.81	39.45	50.68	SD

Slaughter Hogs Barrows And Gilts

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG	
U.S.1-3														
230-250	52.44	50.58	47.43	53.27	56.85	56.82	58.22	54.55	49.50	45.92	44.04	39.61	50.88	SG
250-270	52.02	50.16	47.05	52.89	56.51	56.45	58.00	54.25	49.18	45.53	43.74	39.35	50.52	SH

Slaughter Hogs Barrows And Gilts

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG	
U.S.2-3														
230-250	51.96	50.14	47.14	52.94	56.49	56.61	57.99	54.20	49.20	45.59	43.81	39.39	50.57	SK
250-270	51.35	49.54	46.55	52.28	55.90	55.99	57.39	53.60	48.68	45.04	43.24	38.89	49.98	SL

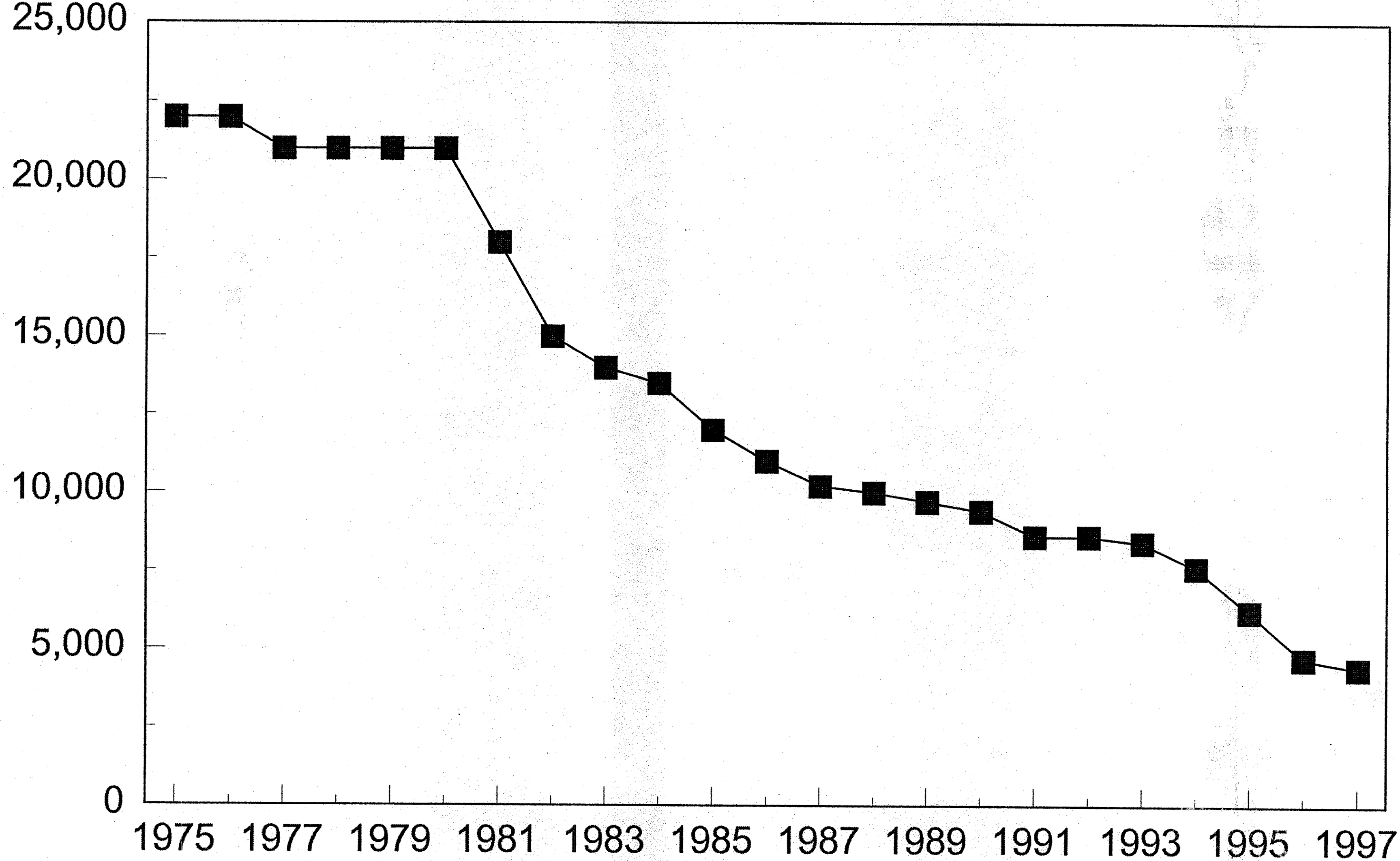
Slaughter Hogs Sows

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG	
U.S.1-2														
300-400	43.06	43.59	41.26	41.09	44.68	42.58	42.59	41.19	37.08	35.43	32.57	29.40	39.63	SW
400-500	43.06	43.59	41.24	41.09	44.68	42.58	42.59	41.19	37.08	35.43	32.57	29.40	40.45	SX

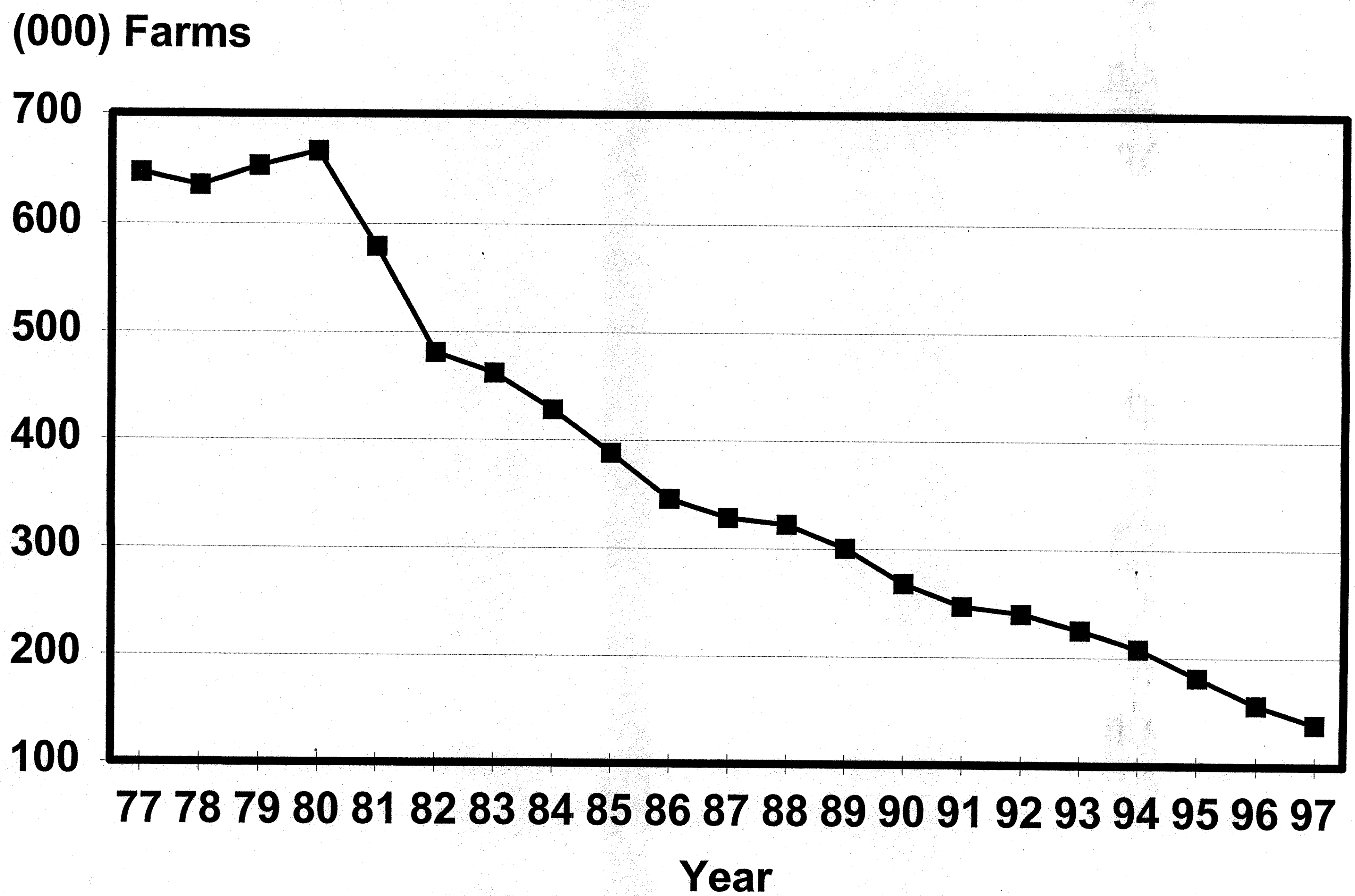
Slaughter Hogs Sows

	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	AVG	
U.S.1-3														
500-600	47.18	47.40	45.24	44.95	48.83	45.20	44.89	44.18	40.55	38.20	35.17	32.38	42.94	SY

WISCONSIN HOG FARMS

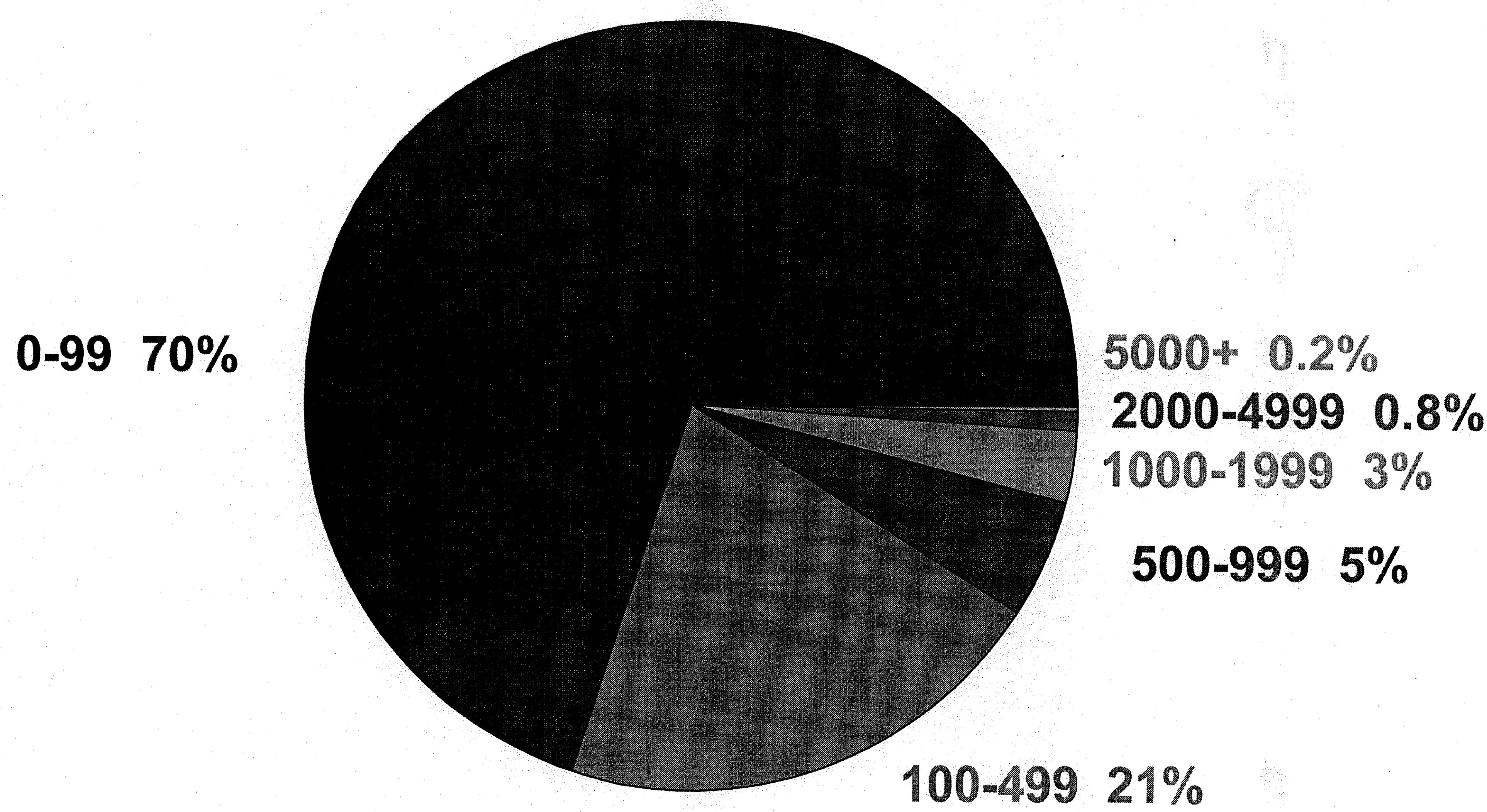


U. S. Number of Hog Operations



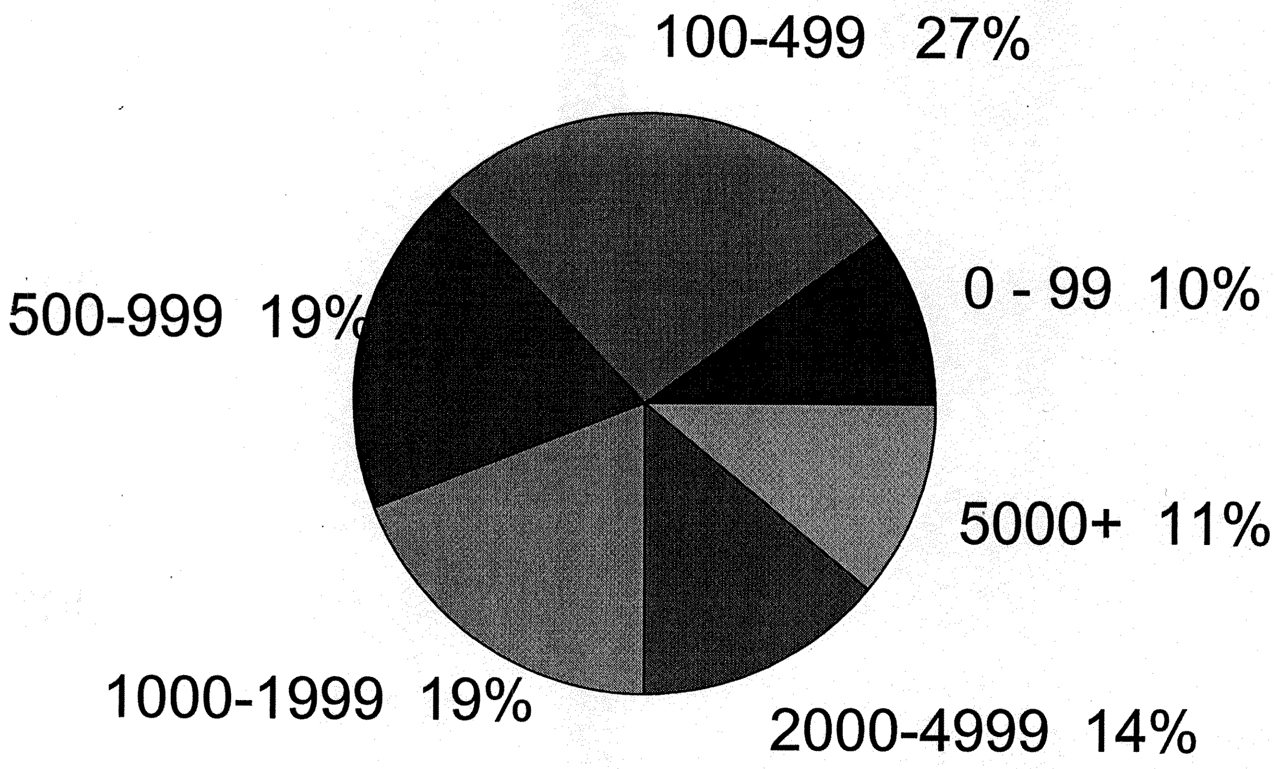
WISCONSIN HOG FARMS

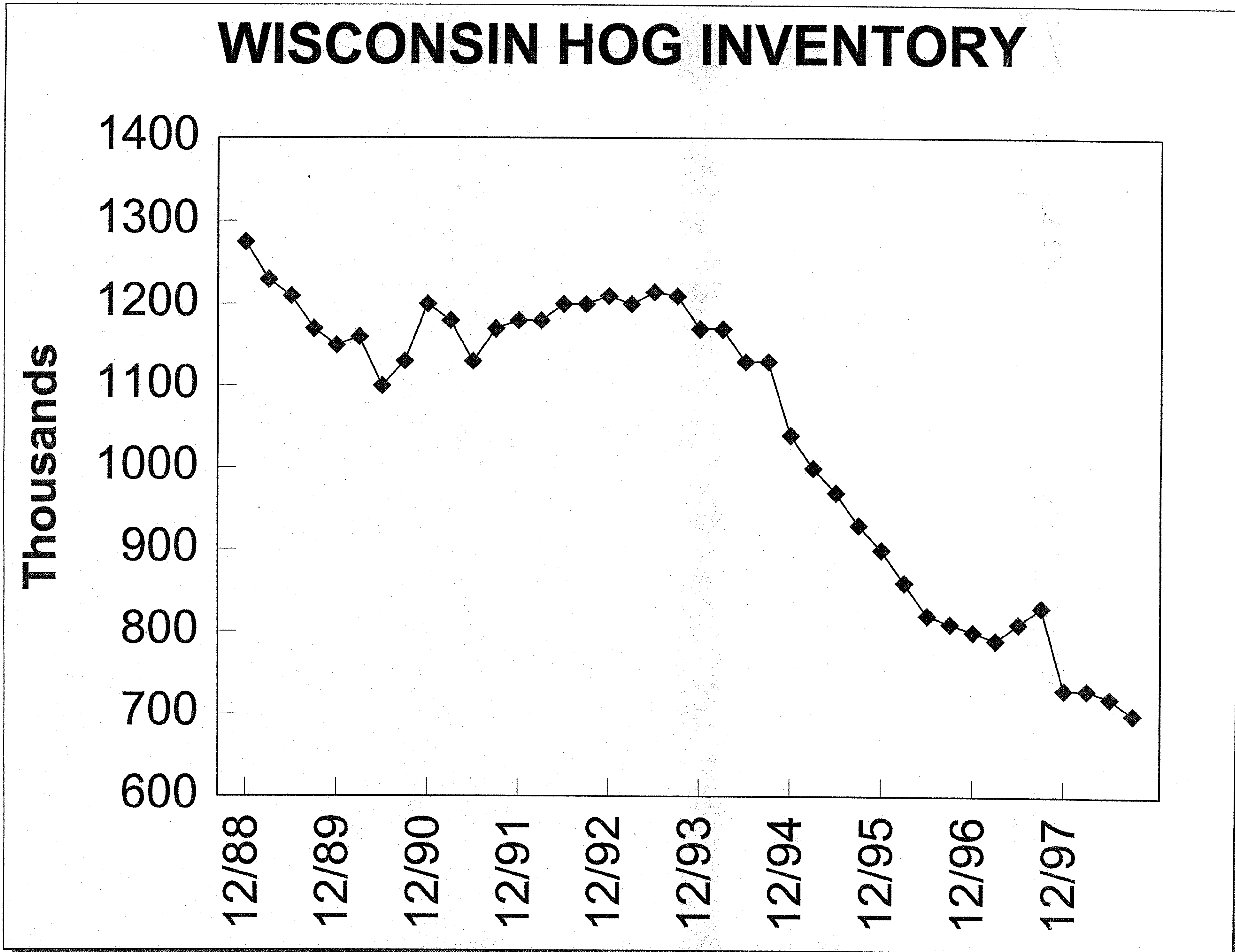
Percent of Total Farms by Size Group, 1997



Wisconsin Hog Farms

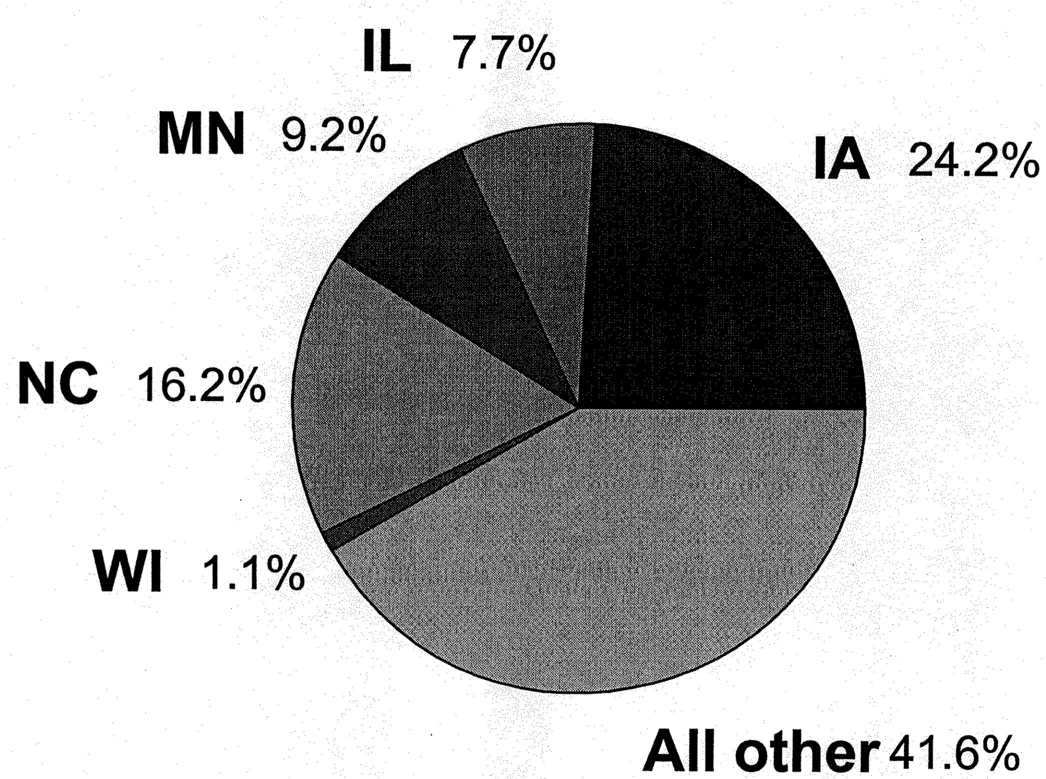
Percent of Total Inventory by Size Group, 1997



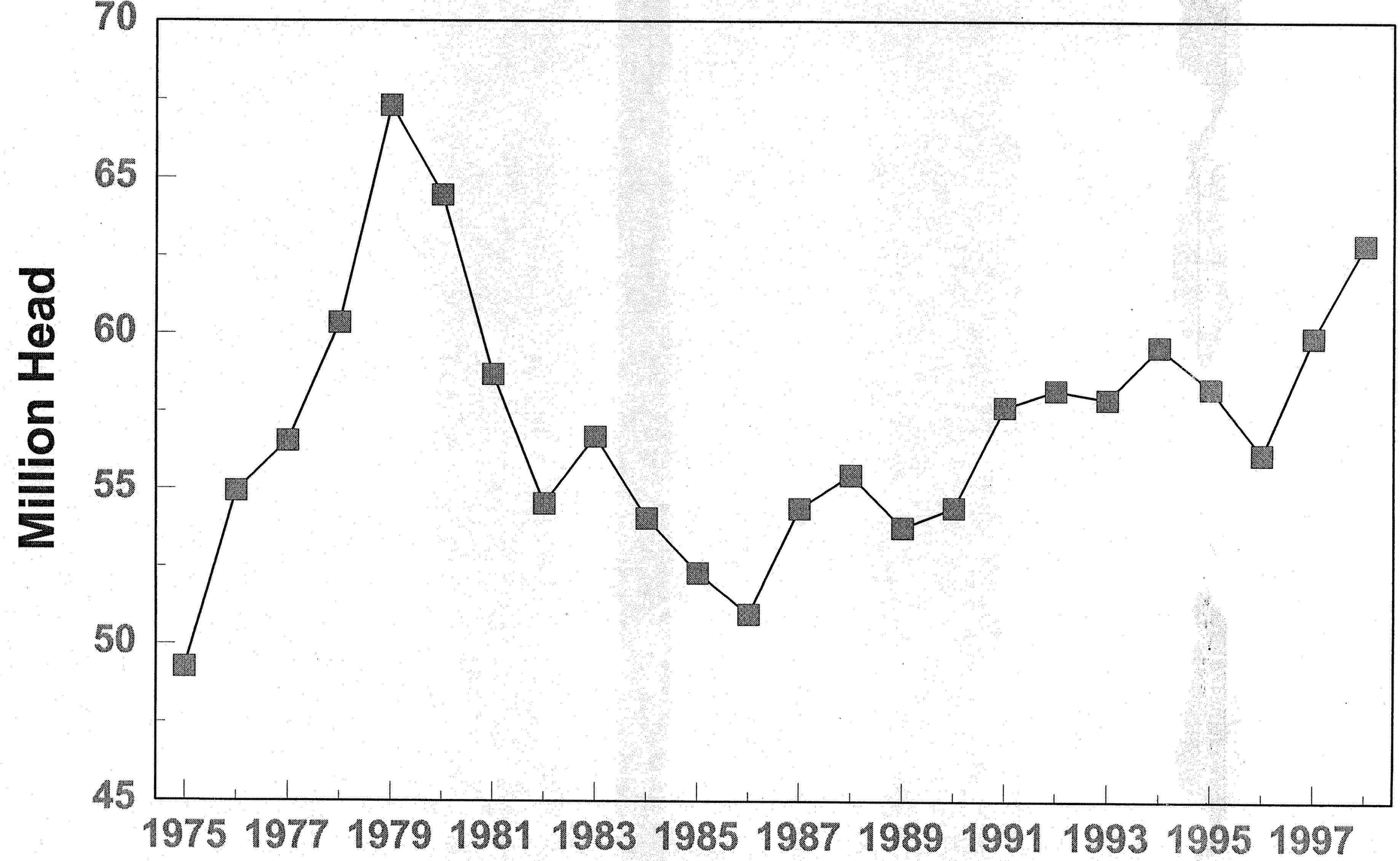

WISCONSIN HOG INVENTORY
Thousands
1400
1300
1200
1100
1000
900
800
700
600
12/88
12/89
12/90
12/91
12/92
12/93
12/94
12/95
12/96
12/97

U.S. Hog Inventory

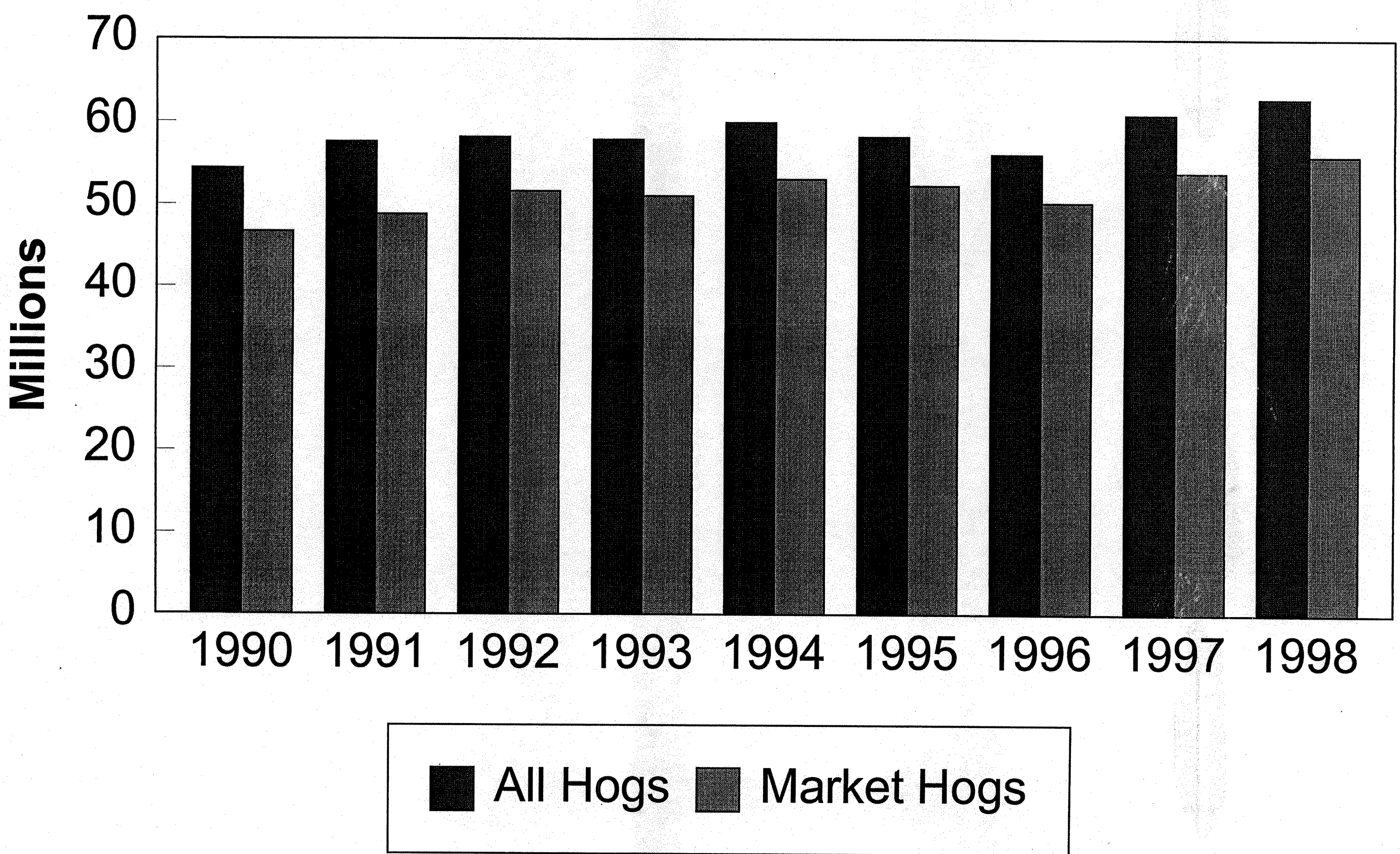
Sept 1998



U.S. HOG INVENTORY

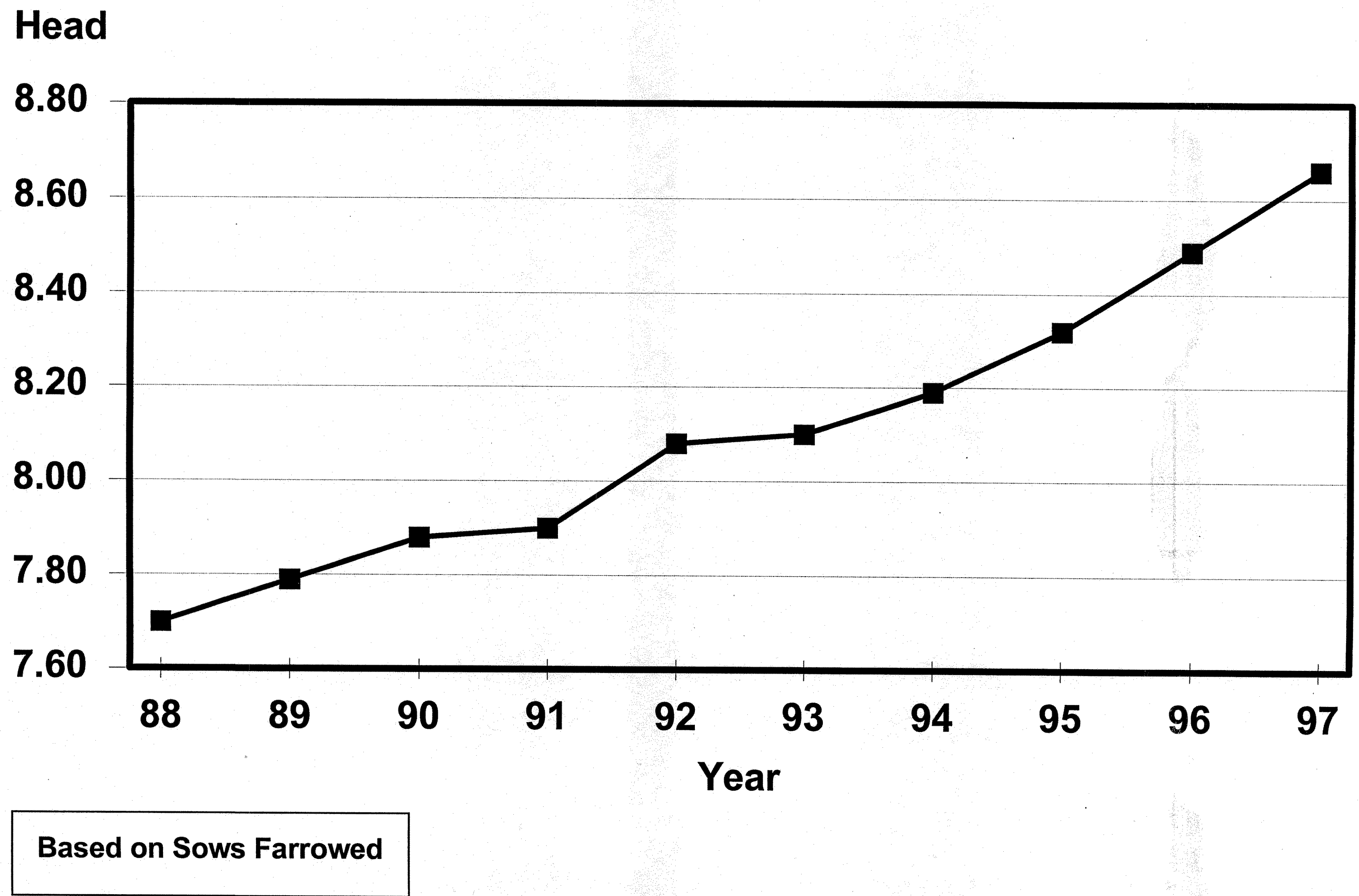


U.S. All Hogs vs. Market Hogs



Pigs per Litter

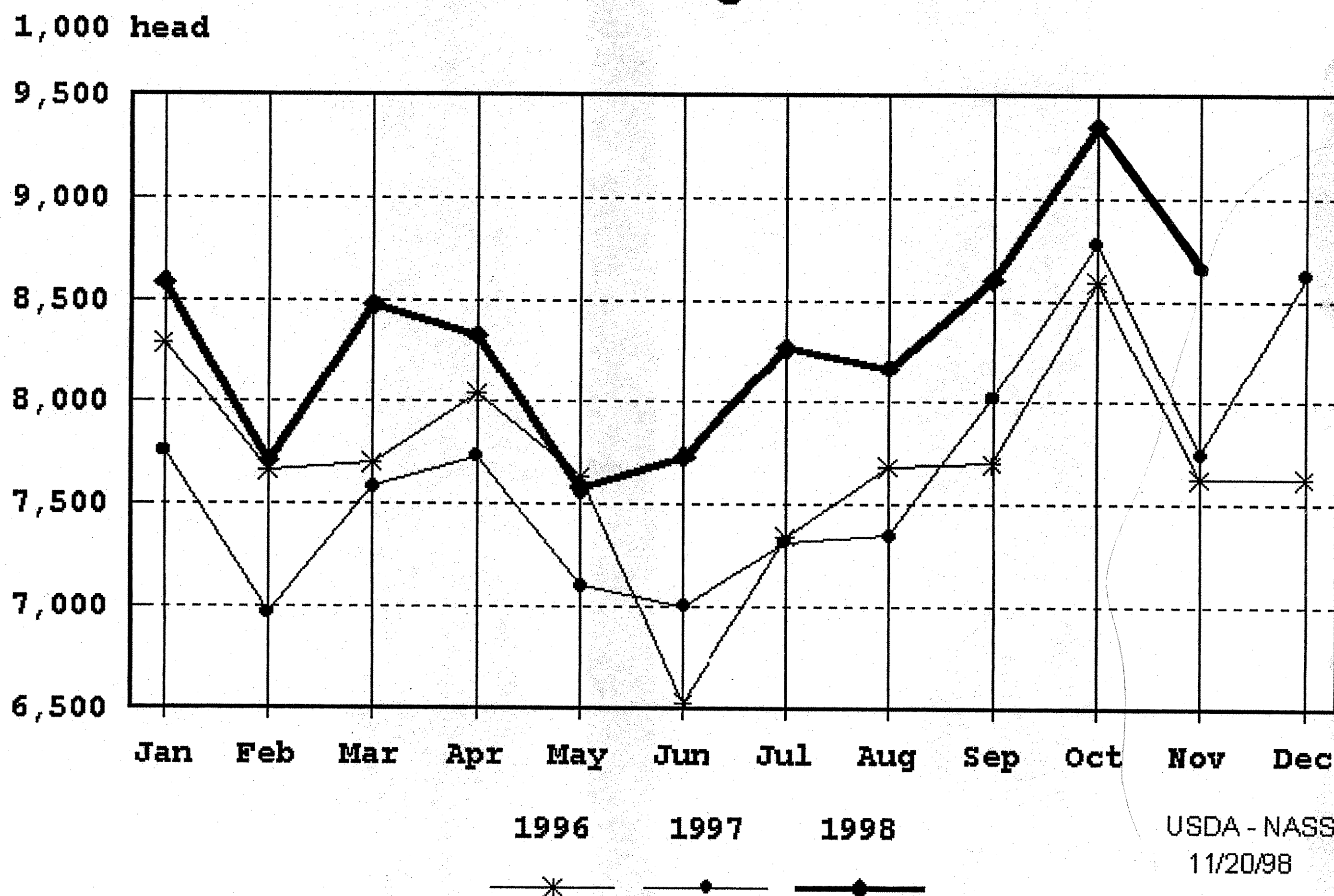
United States



USDA - National Agricultural Statistics Service

U.S. Monthly Commercial Slaughter

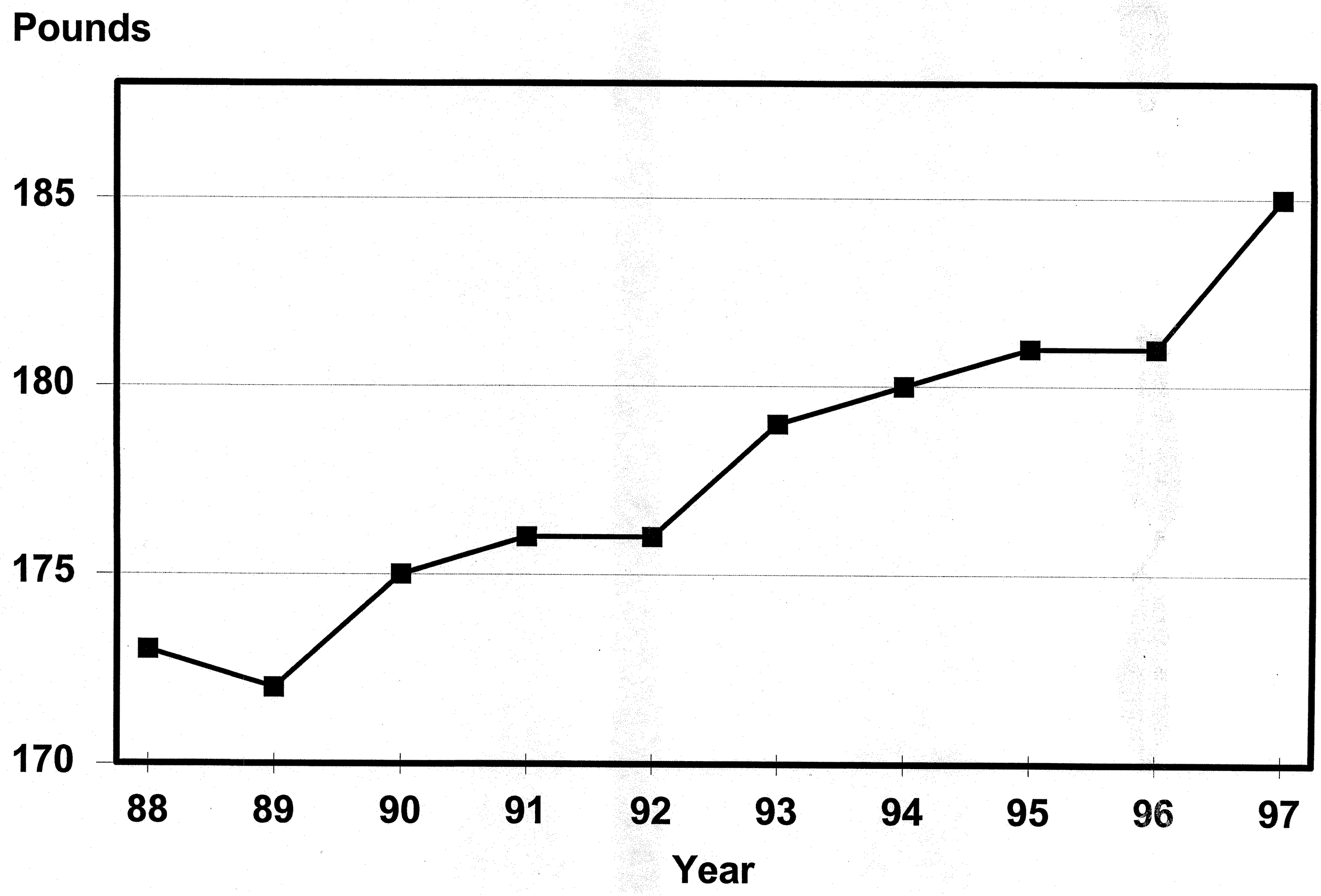
Hogs



Go To: [NASS Home Page | USDA Home Page]

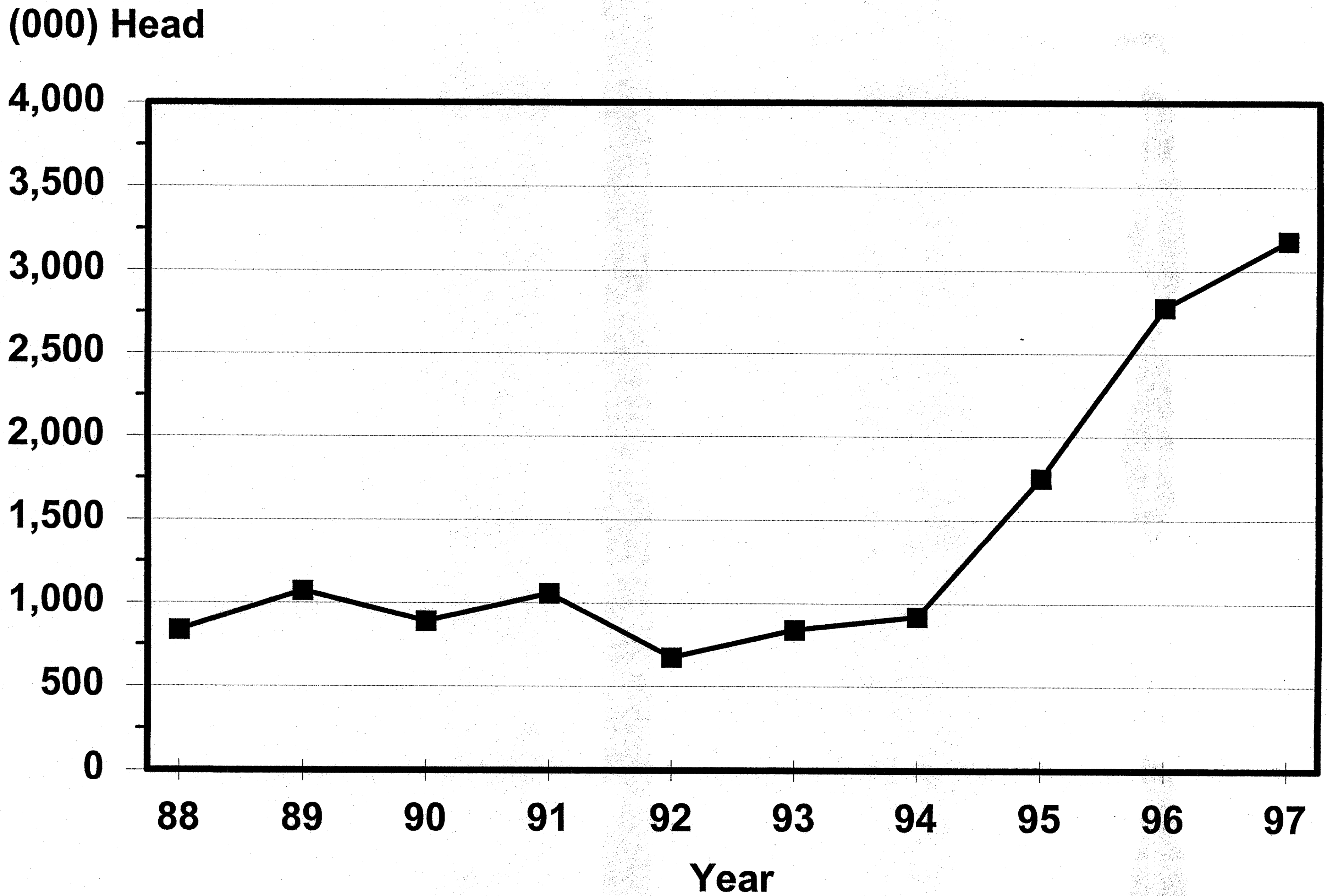
Barrows & Gilt Average Dress Weight

United States



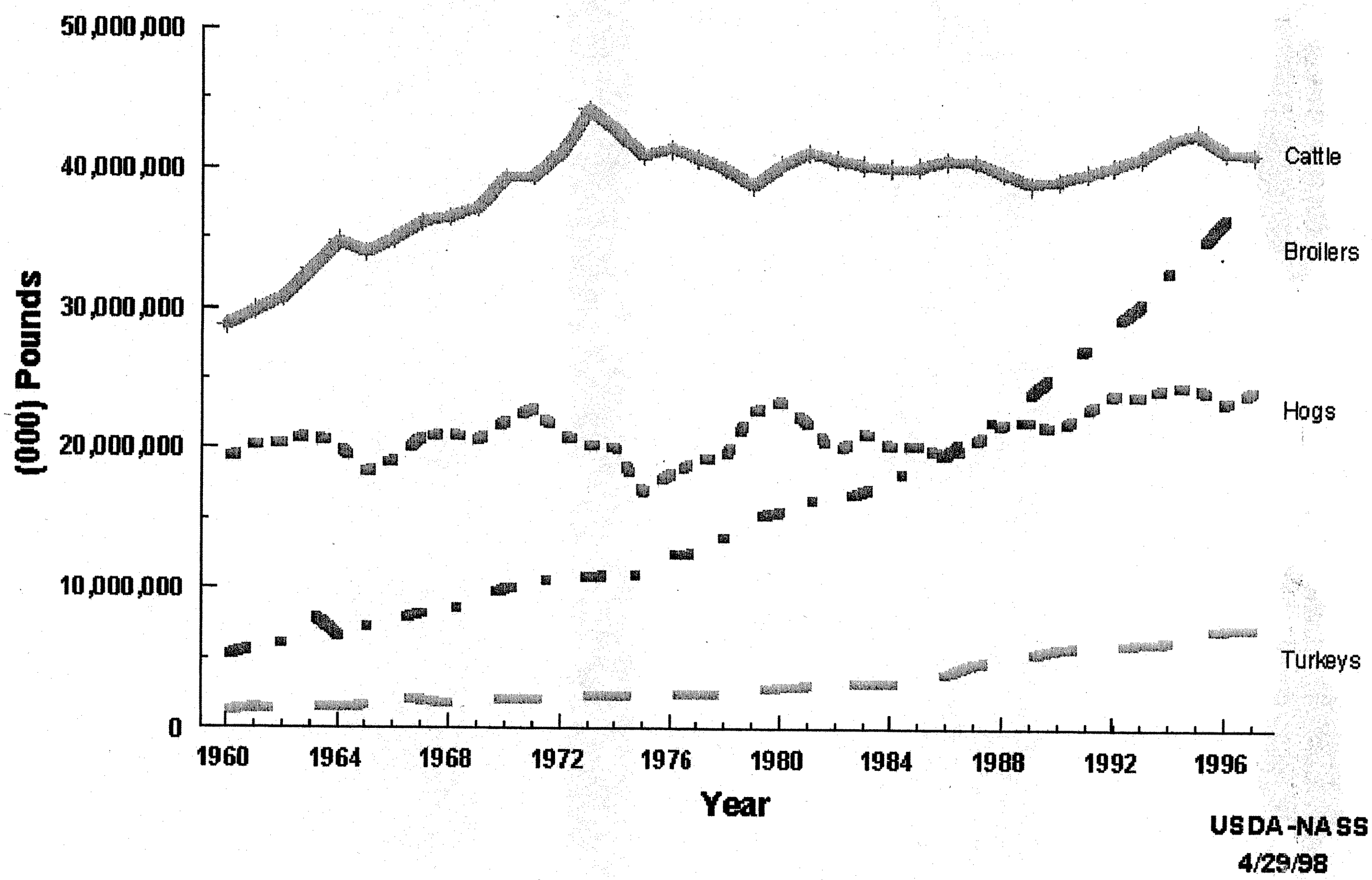
Hog Imports

United States



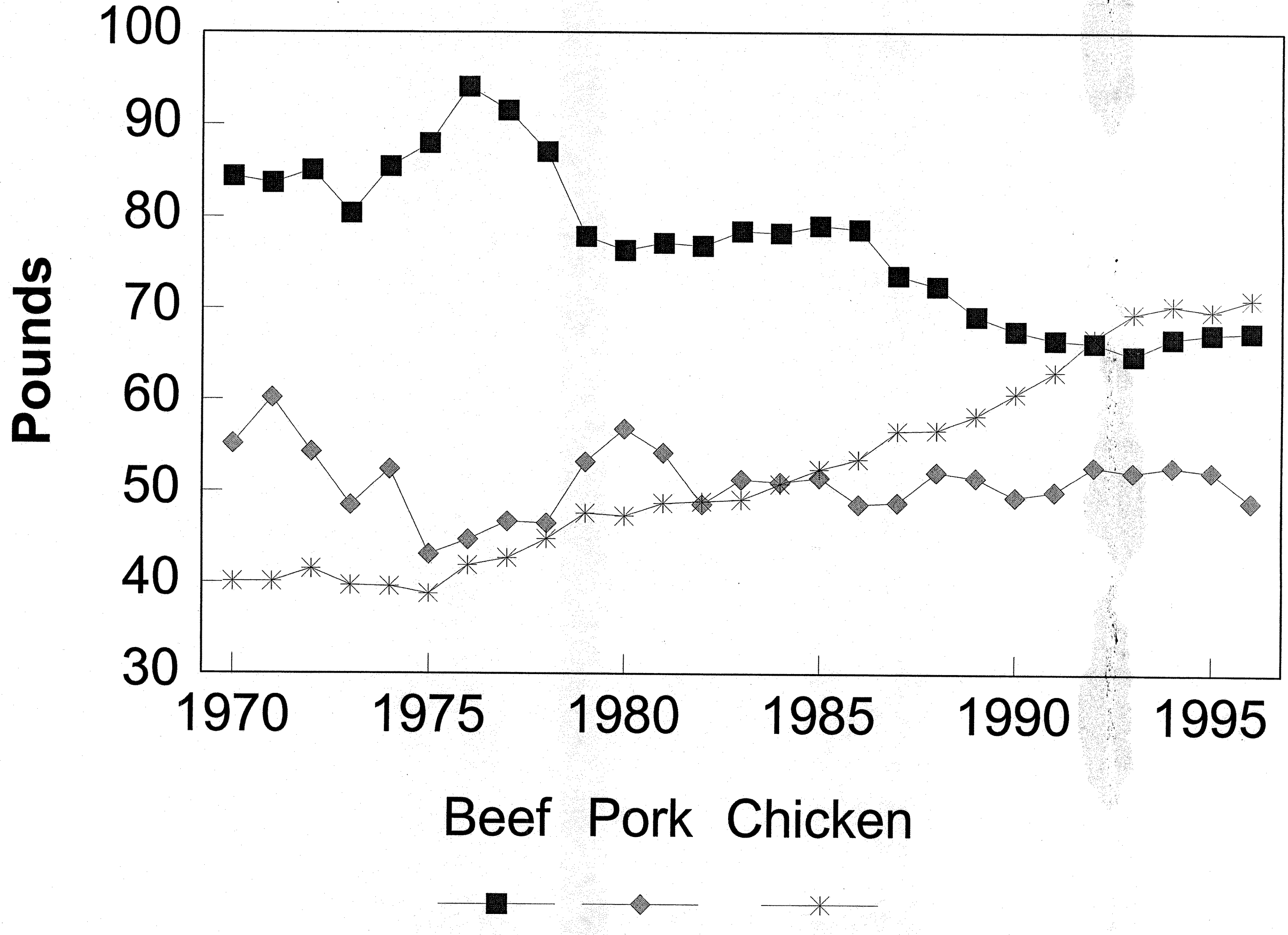
USDA-National Agricultural Statistics Service

CATTLE, BROILERS, HOGS AND TURKEYS POUNDS PRODUCED, 1960-1997

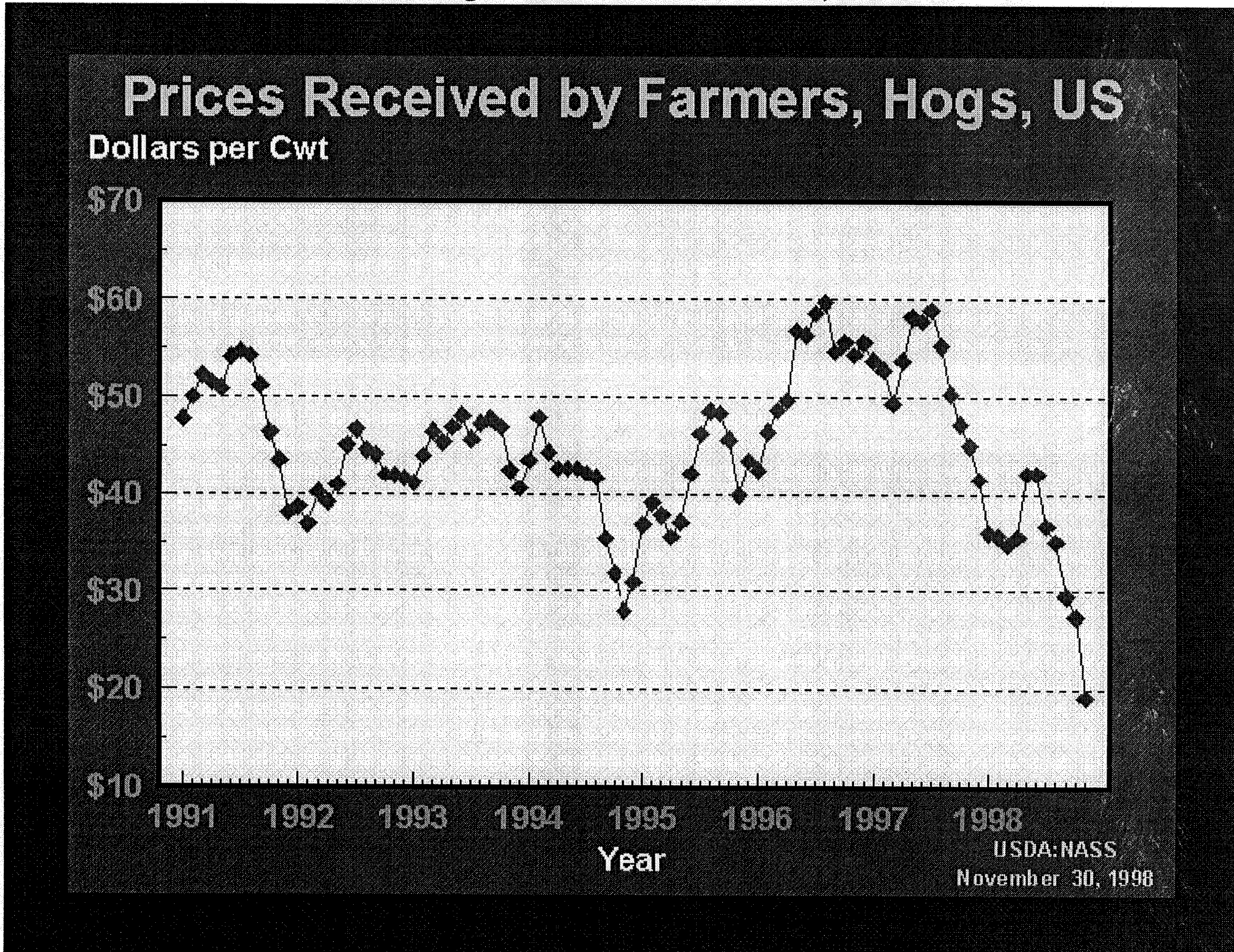


Poultry: Production and Value - Review the text portion of the report.
Meat Animals: Production, Disposition, and Income - Review the text portion of the report.

Per capita Consumption



National Agricultural Statistics Service, USDA



Review the data for this chart (ASCII).

Hog and Pig Release Dec 29, 1998

http://www.usda.gov/nass/

Livestock and Situation Outlook Jan 26, 1999

http://www.econ.ag.gov/