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Hogs Jump to 13-Year High as Wholesale Pork Surges; Cattle Gain
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By Whitney McFerron

April 15 (Bloomberg) -- Hog futures jumped to a 13-year high as wholesale pork surged, signaling demand for the meat is increasing as animal herds shrink. Cattle also gained.

Wholesale pork and hogs for immediate delivery to processors have climbed to the highest prices in 19 months, government data show. U.S. exports of the meat rose 6 percent in February from a year earlier. Two years of losses led farmers to cut their breeding herds to the lowest level on record.

"Supplies are a little bit tighter," said Dick Quiter, a broker at McFarland Commodities LLC in Chicago. "It sounds like a few people needed a few more hogs for the week's kill."

Hog futures for June settlement rose 1.125 cents, or 1.3 percent, to 86.075 cents a pound on the Chicago Mercantile Exchange. Earlier, the price touched 86.3 cents, the highest level for a most-active contract April 1997.

Cattle futures for June delivery gained 1.35 cents, or 1.5 percent, to 94.3 cents a pound. The most-active contract has advanced 11 percent in the past year. Feeder-cattle futures for August settlement rose 0.9 percent to \$1.15125 a pound.

June and August cattle futures sold for about 5 cents to 6 cents less than steers for immediate delivery at 98.92 cents a pound yesterday, U.S. Department of Agriculture data show. Futures may close that gap on rising beef demand as warmer weather in North America spurs outdoor grilling, Quiter said.

"Cattle weights are way down for the last few months, and now we're coming into the start of the barbecue season," he said.

Wholesale choice beef was little changed at \$1.6679 a pound at midday, the USDA said. The price reached \$1.6692 on April 13, the highest level since July 2008.

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--Editors: Patrick McKiernan, Ted Bunker

To contact the reporter on this story:

Whitney McFerron in Chicago at +1-312-443-5939 or
wmcFerron1@bloomberg.net

To contact the editor responsible for this story:

Steve Stroth at +1-312-443-5931 or
sstroth@bloomberg.net.