

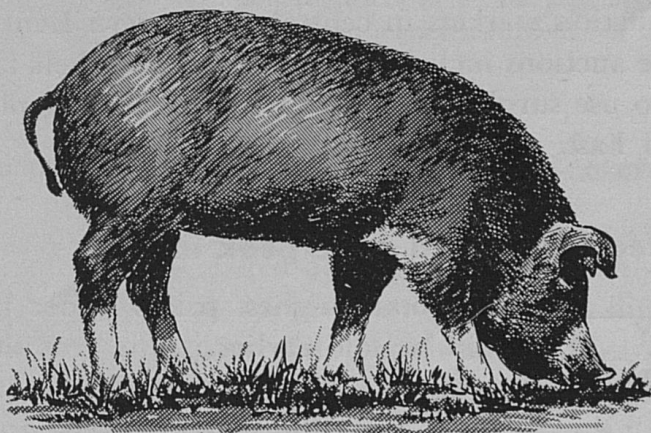
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When will FEEDER PIGS bring highest prices?

By Robert W. Rudd



Circular 504

Kentucky Agricultural Experiment Station
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Between a third and a half of the hogs marketed by farmers in central and eastern Kentucky are feeder pigs. This is because (1) most farm land in this area is in pasture crops, on which pigs can make good low-cost gains when a minimum of corn is fed as a supplement, and (2) there is usually not enough locally produced corn to permit feeding out all pigs to slaughter weights without bringing in grain from corn-producing areas.

A large percentage of the feeder pigs are sold through local livestock auction markets in central and eastern Kentucky. Buyers at these auctions include local farmers, corn-belt farmers who buy pigs to use surplus corn, and serum-producing plants in the North and East.

Feeders reach seasonal price peak in July

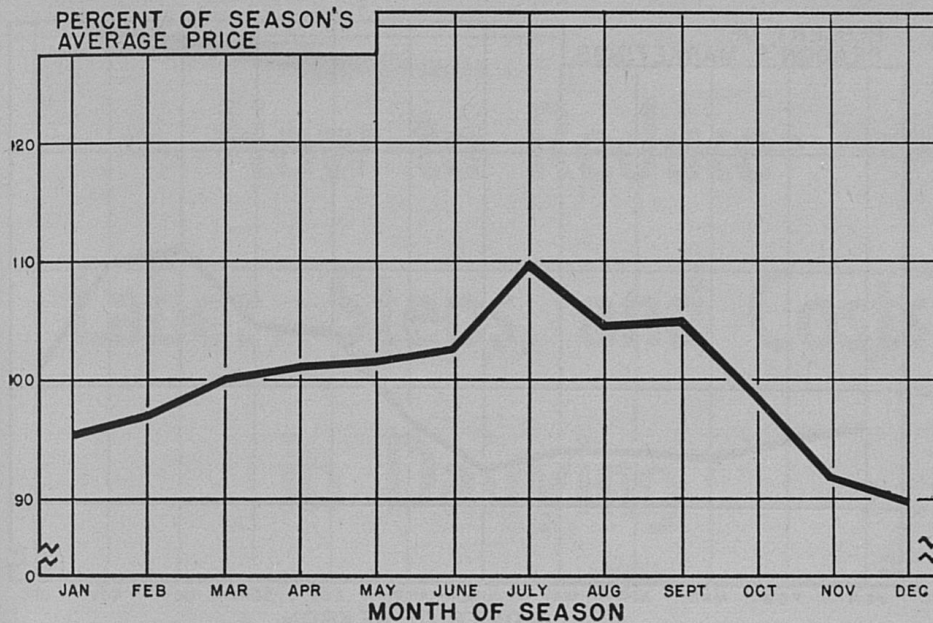


To obtain highest prices feeder pigs usually should be sold earlier in the year than hogs of slaughter weights. At central Kentucky auction markets, hogs for slaughter tend to bring top prices in August. Feeder pig prices average highest in July, as indicated by a 23-year study at five central Kentucky livestock auctions. August and September have the next highest feeder pig prices (Fig. 1).

Market numbers smallest in June



Marketings of feeder pigs are lowest in June, just a month before the seasonal high in feeder pig prices (Fig. 2). Most feeder pigs are sold in October, well before peak volume is reached in the fall run of slaughter hogs.



Average seasonal variation in prices of feeder pigs at five central Kentucky auction markets, 1926-48.

(Figure 1)

Dollar importance of average seasonal price changes



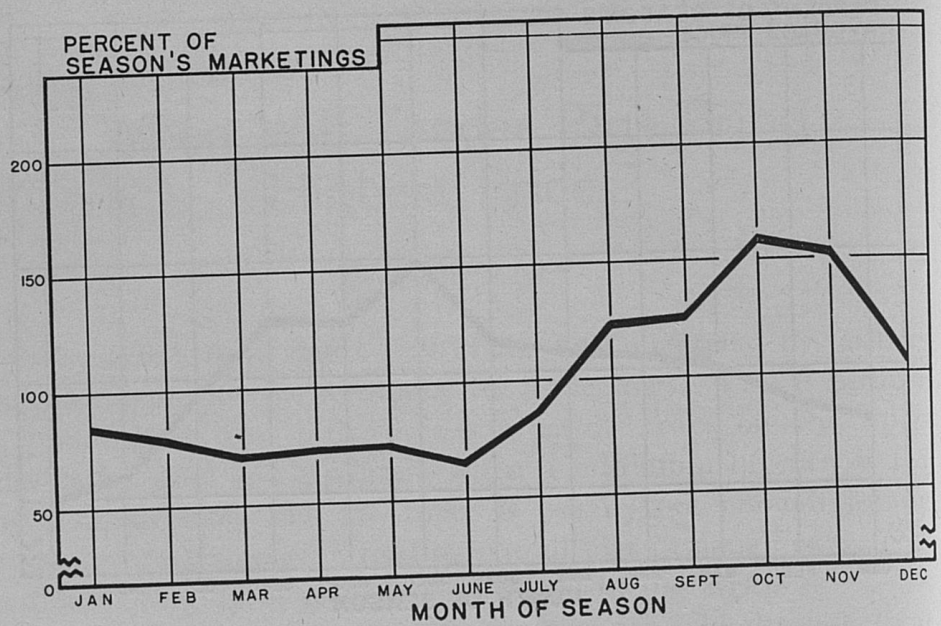
For a year in which the market price of feeder pigs averaged \$20 per 100 pounds, the seasonal variation in price could make a difference of up to \$4 per 100 pounds received by the farmer, depending on the time he marketed his pigs.

Limitations in use of seasonal information about feeder prices and marketings



In using information shown in the charts and in the discussion above, three points should be kept in mind:

- (1) Only the influences of seasonal forces upon prices and marketings are shown. The effects of trends and cyclical influences are not considered. At times these forces may far outweigh the influence of the season in their effects upon prices and marketings.



Average seasonal variation in marketings of feeder pigs at five central Kentucky auction markets, 1927-48.

(Figure 2)

- (2) As an indication of seasonal tendencies in prices and marketings, the charts show averages for all feeder pigs over a 23-year period, and prices in individual years may differ from this average. For example, seasonal prices for feeders averaged highest in July, but were actually highest for the year in that month in only 10 years during the 23-year period. Averages, however, do afford a basis for a better estimate as to when to market shoats for highest prices in the season.
- (3) In arriving at a decision as to when to market feeder pigs, indications of seasonal tendencies in prices and marketings alone are not enough. These tendencies must be considered in the light of the producer's own estimates as to relative costs of production for market at different months of the year.

A more detailed analysis of prices of feeder pigs may be found in Bulletin 584, Kentucky Agricultural Experiment Station.