

## 1BN) Hogs Surge as U.S. Heat Wave May Curb Weight Gains; Cattle Climb

+-----+

Hogs Surge as U.S. Heat Wave May Curb Weight Gains; Cattle Climb  
2012-06-27 19:35:38.343 GMT

By Elizabeth Campbell

June 27 (Bloomberg) -- Hog prices rose the most in almost four weeks on speculation that pork supplies will shrink as rising temperatures in the U.S. reduce animal weights. Cattle futures climbed to a one-week high.

Temperatures may average 5 degrees Fahrenheit above normal from the Midwest to the East Coast until July 1, with parts of the central U.S. reaching 8 degrees above average, according to Commodity Weather Group LLC. On June 25, the average hog carcass weighed 204.1 pounds (92.6 kilograms), down 1.3 percent from the previous session, government data show. Livestock use more energy to stay cool during hot weather, reducing weights.

"It's been hot enough long enough that gains probably aren't going to be what they were," Dick Quiter, a broker at McFarland Commodities LLC, said in a telephone interview from Chicago.

Hog futures for August settlement surged 3 percent to close at 91.7 cents a pound at 1 p.m. on the Chicago Mercantile Exchange, the biggest gain for a most-active contract since May 31. Earlier, the price rose by the 3-cent exchange limit. The commodity dropped in the previous six sessions.

Cattle futures for August delivery advanced 1.5 percent to settle at \$1.1725 a pound after reaching \$1.1775, the highest since June 20. The price has dropped 3.5 percent this year.

"The cattle are not going to perform well in the hot weather, so weight gains should start to decline at a rapid pace," Mark Schultz, the chief analyst for Northstar Commodity Investment Co. in Minneapolis, said in a telephone interview.

Steers averaged 1,423 pounds (645 kilograms) at slaughter in the first two days of this week, down 77 pounds from a week earlier, U.S. Department of Agriculture data show.

Corn futures for December delivery surged as much as 5.2 percent on the Chicago Board of Trade. The rising cost of the grain, the main ingredient in livestock feed, and shrinking supplies of forage because of the hot, dry weather are also pressuring cattle prices, Schultz said.

Feeder-cattle futures for August settlement climbed 0.8 percent to settle at \$1.4885 a pound. Earlier, the price touched \$1.4575, the lowest since Dec. 19.

For Related News and Information:

Top agriculture stories: [TOP AGR <GO>](#)

Top commodity stories: [TOP CMD <GO>](#)

--With assistance from Brian K. Sullivan in Boston. Editors:  
Daniel Enoch, Thomas Galatola

To contact the reporter on this story:

Elizabeth Campbell in Chicago at +1-312-443-5941 or [ecampbell14@bloomberg.net](mailto:ecampbell14@bloomberg.net)

To contact the editor responsible for this story:

Steve Stroth at +1-312-443-5931 or

[sstroth@bloomberg.net](mailto:sstroth@bloomberg.net)