

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

January 6, 2023

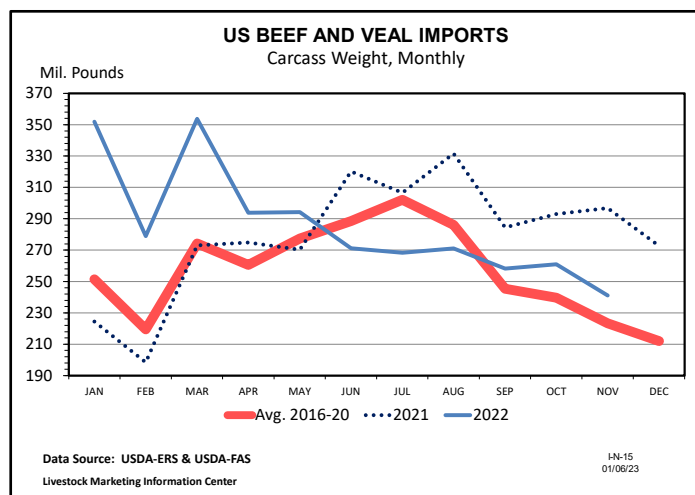
Production			Prices			
Week Ending 1/7/2023			Weekly Average (\$/Cwt)			
FI Cattle Slaughter (Thou Hd)	Last	Year Ago	Live Steer	Last	Week Ago	Year Ago
FI Hog Slaughter (Thou Hd)	563	619	Dressed Steer	157.87	157.81	138.41
FI Sheep Slaughter (Thou Hd)	2296	2552	Choice Beef Cutout	252.01	251.44	219.98
Young Chicken Sltr. (Mil Hd)	26	33	USDA Hide/Offal	283.62	280.07	268.03
Slaughter Cattle Live Weight	140.2	145.1	OK City Fdr. Str. (6-7 Cwt.)	14.18	14.23	13.76
Slaughter Hog Live Weight	1387	1398		NQ	NQ	166.51
Slaughter Lamb/Sheep Live Wt.	291	294	National Negotiated Hogs	74.06	75.90	65.06
Beef Production (Mil Pounds)	126	134	Natl. Net Hog Carcass	81.63	83.35	76.94
Pork Production (Mil Pounds)	468.3	521.3	Feeder Pigs (40 Lbs) (\$/Head)	78.56	73.36	82.43
Lamb, Mutton Prod. (Mil Lbs.)	495.9	559.7	Pork Cutout	85.04	88.84	86.57
Previous 6 Wk. Moving Avg.			Lamb Cutout	473.40	469.70	613.36
Total Beef (Mil Lbs)	498.6	509.3	Cheddar, 40 lb Block(\$/lb)	2.12	2.13	1.92
Total Pork (Mil Lbs)	505.5	527.0	Corn, Omaha (\$/Bu)	7.02	7.30	6.04
Total Lamb, Mutton (Mil Lbs)	2.1	2.3	Soybeans, Cntrl IL (\$/Bu)	14.77	15.17	13.90

Source: Various USDA-AMS reports. Data are preliminary.

Trends. . . TRADE UPDATE

November trade data showed beef and pork import levels were the lowest so far for 2022 while exports were mixed for the month. Total beef exports were 277.0 million pounds, down 6.1% from last year. Lower shipments were seen to most major destinations with South Korea down 3.0% from a year earlier, Japan down 10.1%, Mexico down 5.4%, and China down 10.7%. Exports to Canada posted a 7.9% increase. Beef imports were 241.0 million pounds in November, down 18.8% from 2022 marking the lowest monthly import level since February 2021 (198.4 million pounds). Lower imports were due to a 20.9% decrease in shipments from Australia, 32.1% decline from New Zealand, and a 62.6% decline from Brazil, which more than offset a 3.2% increase in shipments from Canada.

November pork exports reached their highest level so far for 2022 totaling 578.0 million pounds, just 0.4% below last year's level. The increase was due to a 38.0% rise in shipments to China totaling 63.0 million pounds in November, the second highest monthly level for 2022



only behind 63.4 million pounds in August. Exports to Canada rose 1.7% to 52.7 million pounds and South Korea increase 8.8% to 46.0 million pounds. Japan saw a 15.1% dip in exports in November to 83.7 million pounds while shipments to Mexico decreased marginally (0.4%) to 214.2 million pounds. Pork imports for the month totaled 99.9 million pounds, down 24.3% from last year and the lowest monthly level so far in 2022. Canada, the primary supplier of pork imports to the U.S., fell 18.2% in November to 66.1 million pounds.

Broiler Exports increased 4.4% to 646.5 million pounds in November. Higher shipments were seen to Mexico, Angola, and Canada, with lower levels to the Caribbean, China and Hong Kong. Broiler imports dipped 20.1% to the lowest level so far for 2022 at 12.0 million pounds based on decreased shipments from Canada (down 8.3%) and Chile (down 23.1%). As expected from ongoing HPAI cases, turkey exports fell 35.4% to 30.4 million pounds while imports more than tripled to 10.4 million pounds in November.

Lamb and mutton imports fell 21.3% from last year to 30.6 million pounds in November. Total lamb imports were 24.7 million pounds, up 4.5% from last year based on a 24.7% rise in shipments from Australia while New Zealand was down 38.1%. Mutton imports for November totaled 5.9 million pounds, down 61.3% from last year, which was due primarily to a 64.0% decrease from Australia.

U.S. CORN & SOYBEAN PRICES STILL ELEVATED

Corn prices across many U.S. markets failed to see prices follow the typical seasonal pattern and ease this fall. Omaha corn prices have posted a weekly cash price of over \$7 per bushel 40 of 52 weeks in 2022. Prices did level off the highs seen earlier in the summer which surpassed \$8 per bushel. Since the first quarter of 2022, Omaha corn prices have only tipped below \$7 a handful of times. Central Illinois soybean prices have moved higher in recent weeks and crossed the \$15 per bushel threshold the last week of 2022. However, these prices did see a seasonal dip in October reaching as low as \$13.55 per bushel before climbing in the weeks that followed through the end of the year.

The grain conversation has turned its focus to South America this time of year and Argentina's La Nina weather pattern emphasizes dryness. This was a concern last year, and weather seems to be once again cause for concern heading into harvest in the Southern Hemisphere. Exports for corn and soybeans have been sluggish for the U.S. and tend to pause ahead of the South American crop in an effort to avoid paying high U.S. prices for corn and soybeans. Corn exports for the 2022/2023 marketing year are off last year's pace more than 25%. Soybeans are off 7%. USDA has lowered export expectations significantly from last year, but continued weather problems in South America may increase the current forecasted numbers. Still, it is expected that the U.S. is unlikely to ship the same volumes as the previous marketing year.

HOG PRICES END THE YEAR ON SOLID GROUND

Base hog prices nationally ended the year with a weekly average of \$82 per cwt, 10.6% higher than last year. The December Quarterly hogs and pigs report emphasized tighter supplies with all market hog weight groups showing declines of about 2%, and implying for the first half of 2023, supplies will likely be smaller than last year. It also implied some cautious optimism among hog producers which held hogs kept for breeding slightly over a year ago and sow farrowing intentions slightly higher in outlaying quarters. Still, sow productivity has not been able overcome disease pressure, and pigs per litter was held nearly constant with last year.

The last two years hog prices have posted steep rallies over the summer. However, it appears that based on the recent report, relative strength should be in the first quarter of 2023, where hog supplies are showing decreases from a year ago. Intentions are implying that in the second half of the year, increases in breeding numbers may be enough to increase hog supplies, although at this point that increase looks very small.

LMIC hog price forecasts will likely still be high by historical standards but may not post a year over year increase this summer. Seasonal patterns have shifted over the last two years. Typically hog prices peak in June, where last year they peaked about a month later. This difference in price pattern will cause some interesting comparisons year over year.