

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

February 17, 2023

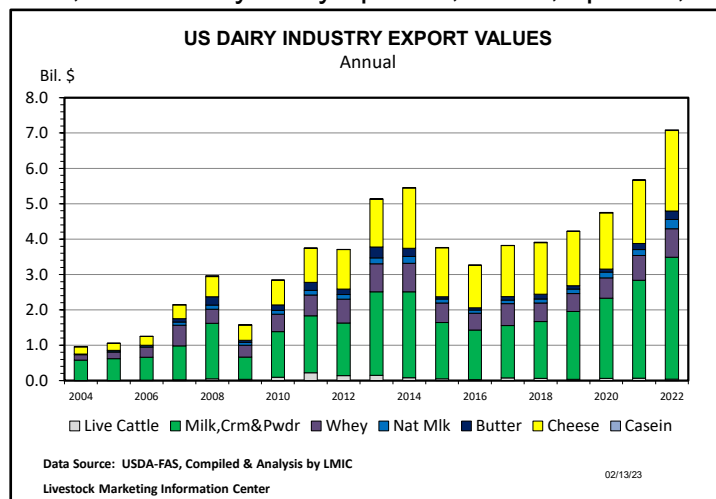
Production			Prices			
Week Ending 2/18/2023			Weekly Average (\$/Cwt)			
FI Cattle Slaughter (Thou Hd)	Last	Year Ago	Live Steer	Last	Week Ago	Year Ago
FI Hog Slaughter (Thou Hd)	627	670	Dressed Steer	160.71	159.62	142.36
FI Sheep Slaughter (Thou Hd)	2505	2482	Choice Beef Cutout	256.57	253.91	226.04
Young Chicken Str. (Mil Hd)	37	32	USDA Hide/Offal	275.65	267.89	269.88
Slaughter Cattle Live Weight	168.7	168.8	OK City Fdr. Str. (6-7 Cwt.)	13.19	13.36	14.01
Slaughter Hog Live Weight	1381	1397	National Negotiated Hogs	191.51	204.15	179.53
Slaughter Lamb/Sheep Live Wt.	292	293	Natl. Net Hog Carcass	76.67	76.51	89.03
Beef Production (Mil Pounds)	128	131	Feeder Pigs (40 Lbs) (\$/Head)	79.26	77.54	94.49
Pork Production (Mil Pounds)	517.5	562.9	Pork Cutout	83.64	90.49	115.82
Lamb, Mutton Prod. (Mil Lbs.)	543.9	541.4	Lamb Cutout	81.94	80.18	109.53
Previous 6 Wk. Moving Avg.			Cheddar, 40 lb Block(\$/lb)	455.87	448.91	595.92
Total Beef (Mil Lbs)	2.4	2.1	Corn, Omaha (\$/Bu)	2.00	2.06	1.88
Total Pork (Mil Lbs)	530.3	544.7	Soybeans, Cntrl IL (\$/Bu)	7.01	7.00	6.42
Total Lamb, Mutton (Mil Lbs)	556.7	538.3		15.39	15.31	15.99
	2.2	2.0				

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

Trends. . . DAIRY NET EXPORTS SURGE TO NEW RECORD HIGHS

Dairy net export value surged to \$3.9 billion in 2022 passing the previous record high in 2014 by \$748 million. Recall net exports are defined by dairy export dollars less dairy import dollars. The big jump occurred in dairy export dollars, which jumped to over \$7 billion, surpassing any previous year by more than a billion dollars. LMIC groups annual dairy exports into milk, cream, & powder, live animals, whey, natural milk products, butter, cheese, and casein. Out of this list live animals was the only category below a year ago, while other categories saw high value increases by double digits. Casein values increased 89% followed by natural milk products, up 57%, and butter increasing 37%, cheese by 27%, milk, cream, & powders 24%, and whey up 16%.

Import values increased by double digits as well. Total dairy imports increased 18%. The largest jump was also in casein, increasing 47%. Milk, cream, & powders were second up 34%, followed by whey up 26%, butter, up 23%, natural milk products up 16%, and cheese up



6%. In 2013, net exports had surged to an unprecedented level of \$3 billion and held there for 2 years, followed by a decline of 50% in 2015. From 2015 to 2020 net exports were between \$1 and \$2 billion, largely due to declines in export values. During this time exports fell from just under \$5.5 billion to under \$4 billion, while imports were more stable between \$2 and \$2.5 billion. In general, the U.S. imports more natural milk products, butter, and casein than it exports on a dollar basis, which means net exports are largely

carried by the remaining categories. Milk, cream & powders jumped more than \$600 million dollars over 2021 values on a net export basis and cheese more than doubled, rising from \$306 million to over \$700 million. Whey also a net exporter added \$100 million to 2021's total. These strong value gains, help mask relatively small gains in the volume exports, compared to larger gains in total imported dairy product volumes. U.S. milk prices had a strong year in 2022, and it appears the rest of the world was willing to pay for high quality U.S. products.

CULL VALUES TOP LAST YEAR'S HIGH

Cutter cow values nationally hit \$77.47 per cwt last week, higher than any weekly value last year and the highest value since October 2015. Last week was a large jump week over week, up from \$71.04 per cwt the week before.

Cow and bull harvest estimates in the middle of February indicate levels have slipped 4% in the last 12 slaughter days from last year. January total cow slaughter was largely above a year ago, however, the majority of the increase came from higher numbers of dairy cows, which are averaging more than 5,000 head higher per week than last year. Beef cow slaughter has been on either side of last year's tallies. However, the number of cutter cows specifically moving through sales channels since the first of the year are up 24% from 2022.

Other grades of cows have not seen nearly the price spike that cutters have. Boners (85% lean) are still below last year's summer levels at \$79.76 per cwt, as are breakers (75% lean) at \$82.17 per cwt last week. Premium whites are ahead of last year at this time and were \$79.10 per cwt last week. Year to date volumes for premium whites are down 9%, possibly due to high feed costs of adding weight to cows. Breaker volumes are up 32%, and boner volumes are almost 7x greater than last year.

JANUARY CPI AND RETAIL MEAT PRICES

The January consumer price index (CPI) reported inflation was 6.4%, which was slightly lower than the prior months 6.5% but still above the 2% target rate. Food and beverages CPI was 9.9% in January, falling just out of double-digit levels after seven consecutive months above 10%. The last time food and beverages saw double-digit levels was March 1981. The meat CPI was 2.2% in January, up slightly from the prior months 2.0% but much lower than the double digit levels that were seen a year ago.

Retail meat prices continue to remain elevated above the \$7 per pound mark, but January saw the all-fresh retail beef price fall 1.1% from a year ago to \$7.20 per pound. Ground beef rose 5.2% to \$4.79 per pound while sirloin steaks fell 4.7% to \$10.31. Retail pork prices increased marginally from a year ago by 0.7% in January to \$4.79 per pound, but were down from the record price of \$5.05 just a few months prior in October 2022. Both hams and chops increased in January posting annual increases of 3.0% and 10.5%, respectively, to \$4.14 and \$4.30 per pound.

The poultry CPI in January was 11.2% higher than a year earlier, only down slightly from the prior months 12.2% year over year change. In February 2022, the rate of inflation for poultry jumped into double digits which coincides with the start of highly pathogenic avian influenza (HPAI) cases as reported by USDA. Since then, the average rate of inflation for poultry has been over 14%. Composite retail chicken prices increased 9.3% from last year to \$2.42 per pound in January. Egg prices have seen a tremendous rise in prices due to HPAI outbreaks with January posting a record retail price of \$4.82 per dozen, a 2.5-fold increase from a year earlier. The significant rise in poultry highlights the toll HPAI is taking on the poultry industry and especially eggs. To put things into perspective, in January, a dozen eggs cost \$4.82 while one pound of ground beef cost \$4.79.