

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

April 7, 2023

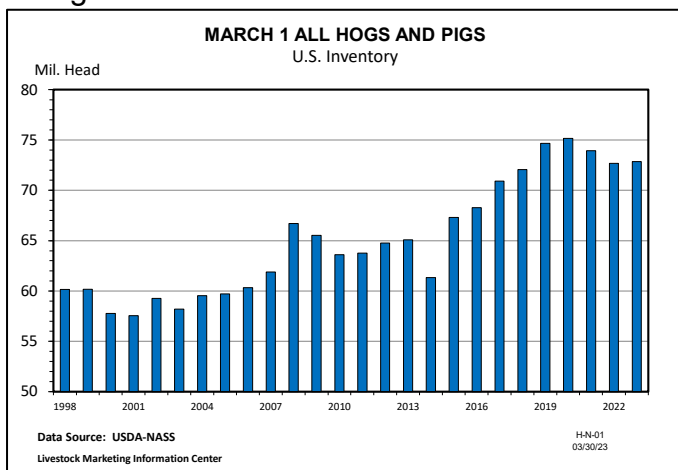
Production			Prices			
Week Ending 4/8/2023			Weekly Average (\$/Cwt)			
FI Cattle Slaughter (Thou Hd)	Last	Year Ago	Live Steer	Last	Week Ago	Year Ago
FI Hog Slaughter (Thou Hd)	603	665	Dressed Steer	173.08	168.74	138.82
FI Sheep Slaughter (Thou Hd)	2370	2430	Choice Beef Cutout	278.62	270.36	222.43
Young Chicken Sltr. (Mil Hd)	34	40	USDA Hide/Offal	288.46	280.51	270.50
Slaughter Cattle Live Weight	162.0	165.3	OK City Fdr. Str. (6-7 Cwt.)	12.79	12.79	13.34
Slaughter Hog Live Weight	1369	1381	National Negotiated Hogs	216.31	214.78	171.31
Slaughter Lamb/Sheep Live Wt.	292	294	Natl. Net Hog Carcass	72.03	75.56	100.52
Beef Production (Mil Pounds)	129	131	Feeder Pigs (40 Lbs) (\$/Head)	77.25	78.89	99.51
Pork Production (Mil Pounds)	495.0	553.1	Pork Cutout	72.50	80.97	111.75
Lamb, Mutton Prod. (Mil Lbs.)	514.4	531.7	Lamb Cutout	77.66	79.51	104.12
Previous 6 Wk. Moving Avg.			Cheddar, 40 lb Block(\$/lb)	442.79	433.98	588.51
Total Beef (Mil Lbs)	2.2	2.7	Corn, Omaha (\$/Bu)	1.99	1.93	2.20
Total Pork (Mil Lbs)	515.5	541.2	Soybeans, Cntrl IL (\$/Bu)	6.70	6.81	7.66
Total Lamb, Mutton (Mil Lbs)	537.5	531.4		15.11	15.05	16.55
	2.5	2.5				

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

Trends. . . HOGS & PIGS

March 1 Quarterly Hogs and Pigs report was released at the end of March influencing our thoughts regarding hog supplies. Overall, the report was steady to slightly bearish in the near term and bullish in outlying quarters. Nearby supplies of hogs over 180 pounds were up 2%, making it difficult to see a dramatic price rally at this time. However, once those supplies are worked through, outlying quarters are expected to have smaller hog supplies. All three remaining market weight categories showed slight declines from the previous year. The more interesting aspect of the report was the breeding herd came in slightly higher than last year, yet farrowing intentions in Mar-May and Jun-Aug both were listed as down 3% apiece. This implies hog supplies would get substantially tighter later in the year.

Pigs per litter appeared to get back on track, despite news and anecdotal evidence that the newest PRRS strain was causing a lot of losses. Pigs per litter registered as 1% higher and implies that PRRS, to the degree we were hearing, was likely more isolated than originally thought.



Significant revisions were also made to September 1 Quarterly Hogs and Pigs as well as December Quarterly Hogs and Pigs. September and December pig crops were revised about half a million head higher each and led to a market hog adjustment of 1.2 million head in the December market hogs category. USDA NASS often revises hogs and pigs and will not consider these numbers final until the Agricultural Census puts in five-year revisions. However, the back of the hogs and pigs report suggests

that the revision to the market hog category is larger than normal. The average revision from first estimate to last is 874 thousand head. The current estimate for December is not finalized yet and could still see revisions that revise that number even lower. The revisions to December and September, though, helped explain the increase in slaughter over the first quarter of 2023, which was not expected after the December 1 report. These revisions help tie slaughter and market prices to tell a more plausible story. Both base hog prices and feeder pig prices have been weaker this year, and the increased supply helps explain at least partially why that may be the case.

PROSPECTIVE PLANTINGS

Prospective plantings saw a gain in overall principal acres, increasing almost 6 million from last year and surpassing 2021 acreage. Key livestock feed crops of corn, hay, soybeans, and wheat showed intentions are more acreage all around. Corn is estimated to be 4% higher, hay 2%, soybeans up less than 0.5%, and wheat up 9%. These large, expected gains in acreage are anticipated to help lower feed costs once they are harvested; however, recall these are only estimates. Planting still needs to finish, and the June Acreage report will give us a clearer picture of supplies moving forward.

The LMIC corn balance sheet remains unchanged for the next marketing year as forecasts called for 92.15 million acres vs. the 92 million reported in Prospective Plantings. LMIC estimates the season average price will be \$5.45 per bushel in 2023/2024. The current marketing year, LMIC has adjusted exports lower. Troubles with the South American crop are expected to not allow U.S. corn prices to come down meaningfully. LMIC forecasts a \$6.95 per bushel season average price for this marketing year. Omaha corn price has been over \$7 per bushel for 22 weeks this season and only briefly dipped below \$6.50 for a week.

LMIC walked hay acres back slightly. Original forecasts were for a 3% increase in hay acres, driven by other hay. Forecasts were revised to a 2.4% increase for the 2023/2024 marketing year. Prices remain elevated and continue to be tweaked as we enter the tail end of the 2022/2023 marketing year. Alfalfa prices are projected at \$270 per ton nationally this year and \$235 per ton next year. Other hay prices are estimated at \$170 per ton this year and \$155 per ton next year.

LMIC soybean forecasts had acres significantly below Prospective Plantings at 82.5 million acres and a national season average price of \$15 per bushel for the 23/24 crop year. Based on the increase in projected acres, LMIC revised forecasts for soybean acres to be 87.5 million in 2023/2024, unchanged from 2022 and prices to be \$14 per bushel. Demand for soybean oil for biodiesel fuel is assumed to track higher leading to more soy crush and marginal increases in soybean meal supplies that will move at lower prices in the coming year if global demand for soybean meal remains static.

FEBRUARY TRADE

February beef export trade data showed a 3.4% increase from the prior month to 250.8 million pounds, but a 1.4% decrease from a year ago. Compared to a year ago, higher beef exports were reported to South Korea (up 0.9%), Japan (up 7.0%), and Mexico (up 5.7%). Beef exports to Canada declined 17.2% from last year while exports to China fell 1.7%. Beef imports were 283.6 million pounds in February, down 22.2% from the prior month but 1.7% above a year earlier. Canada led the way with a 9.5% increase in beef imports to 78.1 million pounds in February. Shipments from Mexico fell 15.5% to 54.4 million pounds while Brazilian shipments were 13.8% below last year and down 53.8% from the prior month to 48.5 million pounds. Australia and New Zealand saw gains from a year ago of 45.8% and 4.4%, respectively, to 35.2 and 33.1 million pounds in February.

Pork exports totaled 504.2 million pounds in February, up 3.7% from last year but down 9.3% from a the prior month. Exports to Mexico took a steep decline of 21.7% from the prior month to 178.9 million pounds but were down 1.0% from last year. Pork exports to China increased 14.0% to 45.1 million pounds in February while exports to Canada were 41.1 million pounds, up 8.9%. Shipments to Japan and South Korea each fell 10.1% and 5.0%, respectively, from last year to 88.7 and 38.5 million pounds. Of note, were record pork exports of 30 million pounds to Dominican Republic in February, likely a reflection of ASF impacting pork supplies in the country. Pork imports fell 21.7% from last year to 91.4 million pounds, due largely to a 13.6% decline in shipments from Canada.