

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

May 5, 2023

Production			Prices			
Week Ending 5/6/2023			Weekly Average (\$/Cwt)			
FI Cattle Slaughter (Thou Hd)	Last	Year Ago	Live Steer	Last	Week Ago	Year Ago
FI Hog Slaughter (Thou Hd)	623	660	Dressed Steer	173.98	177.15	143.42
FI Sheep Slaughter (Thou Hd)	2447	2405	Choice Beef Cutout	280.95	284.05	230.69
Young Chicken Sltr. (Mil Hd)	35	31	USDA Hide/Offal	309.41	309.30	258.29
Slaughter Cattle Live Weight	165.8	165.6	OK City Fdr. Str. (6-7 Cwt.)	13.08	13.02	13.63
Slaughter Hog Live Weight	1357	1364	National Negotiated Hogs	226.79	230.84	172.03
Slaughter Lamb/Sheep Live Wt.	292	293	Natl. Net Hog Carcass	73.01	70.08	104.75
Beef Production (Mil Pounds)	120	137	Feeder Pigs (40 Lbs) (\$/Head)	78.50	76.82	100.83
Pork Production (Mil Pounds)	508.5	543.7	Pork Cutout	53.49	49.45	92.93
Lamb, Mutton Prod. (Mil Lbs.)	531.2	526.2	Lamb Cutout	80.92	79.12	105.39
Previous 6 Wk. Moving Avg.			Cheddar, 40 lb Block(\$/lb)	447.42	438.13	584.60
Total Beef (Mil Lbs)	2.1	2.2	Corn, Omaha (\$/Bu)	1.86	1.91	2.36
Total Pork (Mil Lbs)	508.8	540.4	Soybeans, Cntrl IL (\$/Bu)	6.48	6.33	8.16
Total Lamb, Mutton (Mil Lbs)	527.1	523.2		14.63	14.49	16.71
	2.4	2.6				

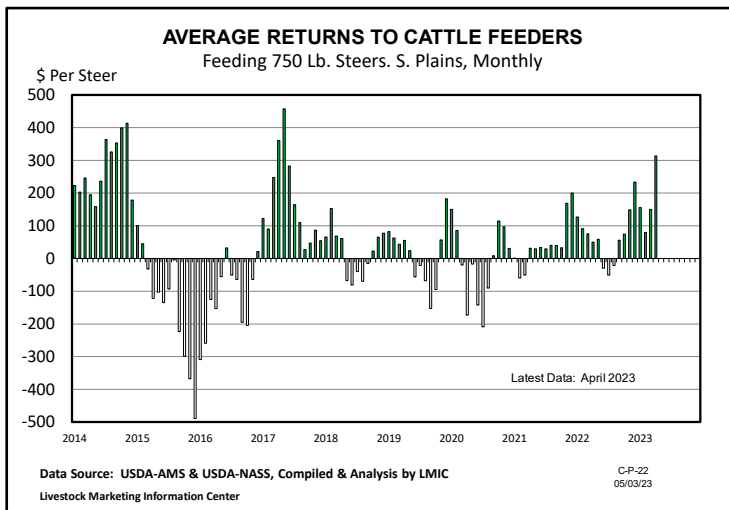
Source: Various USDA-AMS reports. Data are preliminary.

Trends. . . FEEDLOT RETURNS SOAR WITH RECORD LIVE CATTLE PRICES

April cattle feeding returns calculated by LMIC soared over \$300 per head in April as live steers in the 5-area recorded record-breaking highs at mid-month. Live steer prices hit a new daily high of \$182.86, more than \$10 higher than the previous daily high of \$172.08 per cwt that was recorded back in late November 2014. Nearly all of April recorded prices above that previous record. The monthly simple average calculated in Dodge City (price used in the LMIC calculation) for Choice fed steers was \$173.43 per cwt, equivalent to what feedlots were paying for 700-800-pound steers 7 months prior. LMIC calculates a breakeven price at time of placement, which was estimated at \$149.96 per cwt.

Cattle feeders are enjoying a hot run, seeing profitability exceed \$100 per head in the last three months. Higher fed cattle prices are contributing significantly to that bottom line, but additionally feed costs have come down slightly, and April's calculation is based off a feeder steer price that dipped \$6 from the month before. Dodge City 700-800-pound steers averaged \$195.26 per cwt in April, exceeding breakeven projections to just under \$160 per cwt. Current prices are still over that value but have faded more than \$10 from the high in mid-April. Seasonally, fed cattle prices should be hitting a bottom, and with higher placements than the industry expected, this fall live cattle market may not be as tight as originally expected.

Still, cattle feeders are expected to have an excellent year, with no month



currently projected to be negative in 2023. LMIC estimates the average returns for cattle feeders will be over \$200 per head in 2023. Through April, cattle feeding returns have averaged \$175 per head monthly.

SOW AND FEEDER PIG PRICES

Sow and feeder pig prices have started to quickly tumble lower over the last few weeks. Early weaned feeder pig prices (national, 10-12 lbs.) started the year above 2022 levels reaching \$64.02 per head by the end of January. Since that price, early weaned feeder pig prices have fallen 65.6%, or \$41.97 per head, to last week's price of \$22.05 per head. Last week's price was 55.2% below last year and 42.6% below the five-year average. Feeder pig prices (40 lbs.) tracked between \$75 and \$96 per head with an average of \$86 per head through the first quarter of the year. Since mid-March, feeder pig prices have fallen from \$88.55 per head to last week's price of \$53.49 per head, a decline of \$35.06, or 42.4%. Seasonally, feeder pig prices typically move lower over the summer months; this year prices started moving lower sooner and quicker than expected.

Sow prices (national, negotiated, 450-499 lbs.) started the year following the typical seasonal pattern with prices moving higher, but the recent peak price of \$68.19 per cwt occurred sooner in mid-March versus mid-April last year. Since the peak, prices have fallen more than 60%, or \$40 per cwt, with last week's price falling below \$30 per cwt. The last time sow prices fell below \$30 per cwt was October 2020.

Lower sow and feeder pig prices are due in part to negative profitability for the last seven months based on Iowa State University estimated returns for a wean-to-finish operation. Since September 2022, wean-to-finish estimated returns have ranged between losses of about \$18 to a loss of nearly \$39 per head. Rising feed costs continue to be a headwind to profitability with an increase of 13.4% (\$13.59 per head) from last year to \$115.08 per head in March. Higher feed costs translate into a higher breakeven price, which was \$98.21 per cwt in March. April's hog price was \$74.22 per cwt, and assuming total feed costs remained near \$115 per head for the month, estimated returns for April are expected to be negative.

FIRST QUARTER TRADE UPDATE

First quarter trade statistics were finalized with USDA releasing March trade statistics. Beef exports totaled 779.1 million pounds in the first quarter of 2023, down 7.9%, or 66.7 million pounds, from last year. U.S. beef exports to Japan and Mexico increased during the first quarter by 0.2% and 17.8%, respectively, to 186.4 and 77.6 million pounds. These were more than offset by lower beef exports to South Korea, Canada, and China during the first quarter. South Korea fell 16.0% to 175.4 million pounds, Canada was 11.8% lower to 57.5 million pounds, and China decreased 14.4% to 124.5 million pounds. Beef imports fell 2.9% to 956.5 million pounds for the first quarter of the year. Lower first quarter shipments from New Zealand (-4.5%), Mexico (-14.5%), and Brazil (-11.5%) more than offset increases of 7.9% and 11.7% for Canada and Australia, respectively.

Total pork exports were nearly 1.7 billion pounds for the first quarter of 2023, up 8.3% or 127 million pounds, from last year. Gains in pork exports were reported for the top five U.S. destinations. Exports to Mexico increased 4.9% to 632.2 million pounds, the highest first quarter export level to Mexico on record. Pork exports to Japan increased less than one percent (0.8%) to 278.6 million pounds while China grew 19.6% to 146.6 million pounds. Shipments to Canada increased 11.2% to 140.2 million pounds, and exports to South Korea were 3.5% higher to 138.6 million pounds. Total first quarter U.S. pork imports fell 20.7% to 284.0 million pounds, due largely to a 12.4% decrease in shipments from Canada.

Lamb imports declined 8.5% during the first quarter to 59.2 million pounds on lower levels from Australia (-7.5%) and New Zealand (-13.5%). Broiler exports came to nearly 1.9 billion pounds for the first quarter, an increase of 2.5%. Turkey imports more than doubled from last year during the first quarter to 17.0 million pounds, largely a reflection of continued HPAI impacts. First quarter shipments from Chile tripled from last year to 11.6 million pounds while imports from Canada increased 73.9% to 5.4 million pounds.