

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

June 9, 2023

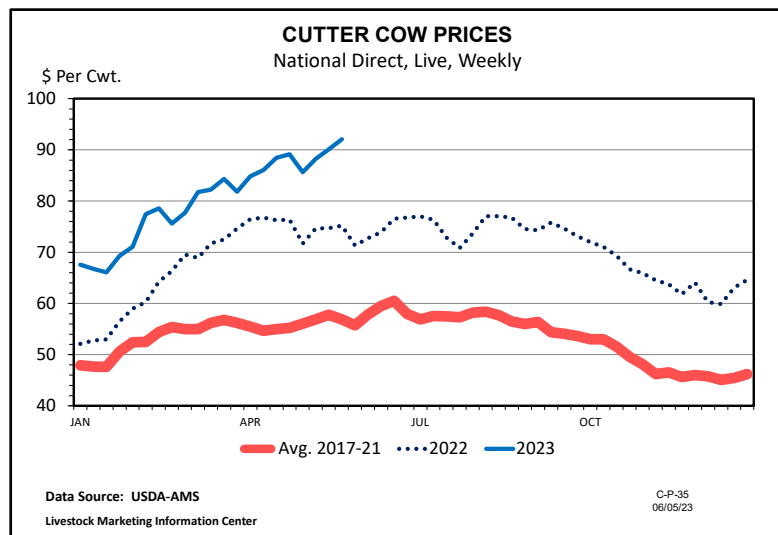
Production			Prices			
Week Ending 6/10/2023	Last	Year Ago	Weekly Average (\$/Cwt)	Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	621	672	Live Steer	189.06	182.03	140.14
FI Hog Slaughter (Thou Hd)	2363	2365	Dressed Steer	299.14	290.05	226.03
FI Sheep Slaughter (Thou Hd)	35	33	Choice Beef Cutout	324.49	306.79	271.03
Young Chicken Sltr. (Mil Hd)	152.7	150.9	USDA Hide/Offal	12.72	12.70	13.63
			OK City Fdr. Str. (6-7 Cwt.)	240.02	NQ	169.86
Slaughter Cattle Live Weight	1350	1345	National Negotiated Hogs	91.91	85.29	116.77
Slaughter Hog Live Weight	288	290	Natl. Net Hog Carcass	85.58	82.92	105.61
Slaughter Lamb/Sheep Live Wt.	127	136	Feeder Pigs (40 Lbs) (\$/Head)	40.18	41.20	67.67
Beef Production (Mil Pounds)	505.0	542.8	Pork Cutout	86.65	84.84	107.87
Pork Production (Mil Pounds)	506.5	512.0	Lamb Cutout	434.39	431.43	565.69
Lamb, Mutton Prod. (Mil Lbs.)	2.2	2.3	Cheddar, 40 lb Block(\$/lb)	1.63	1.65	2.37
Previous 6 Wk. Moving Avg.			Corn, Omaha (\$/Bu)	6.57	6.54	8.17
Total Beef (Mil Lbs)	505.4	530.3	Soybeans, Cntrl IL (\$/Bu)	14.09	13.75	18.30
Total Pork (Mil Lbs)	500.1	504.5				
Total Lamb, Mutton (Mil Lbs)	2.1	2.2				

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

Trends. . . NATIONAL CUTTER COW PRICES TOP \$90

For the last three weeks, cutter cows (90% lean) have been above \$90 per cwt on a live price. This year started with a price for cutter cows in the mid-\$60s and has steadily climbed into midyear. National cutter cow prices have not been over \$90 per cwt since 2015. Interestingly, even though federally inspected cow slaughter is below a year ago, the volume of cutter cows reported in the National Weekly Direct Cow and Bull Roundup is 15% above last year. In fact, all grades of cow volumes are showing higher live basis sold numbers with the exception of premium whites.

The spread in price between cutter cows and other grades of live priced cows has shrunk considerably this year. Last year, the average spread between premium whites and cutter cows was just over \$10 per cwt. This year, the average is just under \$4 per cwt. The



same is true for breakers (75% lean) and boners (85% lean). Breaker volumes are up 8% year to date, and the premium to cutters has averaged \$6.77 vs the 2022 average of \$10.61 per cwt. Boner graded cow volumes are up almost 400% from last year at this time, and the premium to cutters has averaged \$4.84 per cwt this year. In 2022, the average was \$7.01 per cwt.

Cutter cows priced on a dressed basis match more closely to federally inspected cow slaughter, down about 15% for those weighing greater than

500 pounds. Premium whites and breakers (500 lbs. and above) volumes are heavier than a year ago, up 5% and 10% respectively. Boner cows (500 lbs. and above) are down 8% so far this year. Dressed cull cow prices are higher across all the grades, averaging 14-16% higher than last year.

RED MEAT & POULTRY TRADE

Pork exports hit double digits for the second time in 2023, up 10% from the previous year. In April, South Korea was up 42%, China was up 27%, followed by Mexico, up 4%. Taiwan does not often make the highlight reel for pork exports, but April exports surged over 5 million pounds on a carcass basis, the largest single month since 2020. Pork imports continued to see lower values. April's total was the lowest since 2021 and was 32% lower than last year. Most of the key pork shippers to the U.S. saw substantial double-digit declines compared to last April.

Beef exports were down again in April by about 12%. Only a few key markets saw uptick: Mexico, 6%; South Korea, 8%; and Hong Kong, 59%. China, Taiwan, Japan, and Vietnam saw double digit percentage decreases from a year ago. Beef imports were steady with last year. Australia, New Zealand, and Uruguay shipped larger volumes of product and accounted for 35% of total U.S. beef imports.

Broiler and turkey exports increased 2% and 12%, respectively. Mexico, the largest broiler market for the U.S., was up 6%, but several countries showed strong gains from last year. Turkey exports to Mexico rose as well, up 4%. Imports of turkey have been a topic of conversation in the last several months, but April's numbers, although higher than last year by 8%, were small relative to the last 12 months. Chicken imports were small, down 59% from last year, and the lowest monthly total in more than a decade.

RANGE AND PASTURE CONDITIONS IMPROVE

Nationally, range and pasture conditions have been steadily improving since conditions ratings started reporting for the season in early May. Condition ratings for the U.S. started with 37% rated as poor and very poor. Last week's U.S. rating was 20%, which is slightly above the five-year average of 18.2% but a significant improvement compared to 46% a year earlier. Looking at the specific regions reported, most regions have seen improvement in range and pasture conditions over the last several weeks and better condition ratings compared to a year ago.

The exception has been the Cornbelt region, which has seen conditions worsen over the last few weeks. Range and pasture conditions in the Cornbelt region started the season at 12% rated poor to very poor and improved slightly to 9.75%. Over the last two weeks, conditions have quickly worsened from 12.63% to 20.75%. At this time last year, conditions were rated at 5.13%, and the five-year average for the first part of June is around 7%-8%. The Cornbelt region is comprised of eight states (IL, IN, IA, MI, MN, MO, OH, and WI), and according to the U.S. Drought Monitor, abnormally dry (D0) and moderate drought (D1) conditions have increased in that area. Pockets of northern Missouri and western Iowa are shown as D2 and D3 (severe and extreme drought).

The Western region is off to a great start with this season's ratings tracking below last year's and the five-year average. Last week's pasture and range was rated at 12.38% in poor and very poor condition, compared to 31.38% last year and 25.98% for the five-year average. The Southern Plains region started the season at 53% rated poor and very poor but quickly improved to a rating of 19% last week. The Great Plains region has also improved from 39.71% at the start of the season to 19% last week. Improving conditions in the Great Plains are welcome, but portions of Nebraska and Kansas, which are states in the region, are still considered in extreme and exceptional drought (D3 and D4, respectively) based on the U.S. Drought Monitor. Persistent drought in the Great Plains region is a concern for producers looking to start herd rebuilding efforts.