

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

July 14, 2023

Production			Prices			
Week Ending 7/15/2023			Weekly Average (\$/Cwt)			
	Last	Year Ago		Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	633	673	Live Steer	182.99	182.06	142.12
FI Hog Slaughter (Thou Hd)	2340	2258	Dressed Steer	291.25	289.99	229.48
FI Sheep Slaughter (Thou Hd)	32	31	Choice Beef Cutout	309.95	321.97	268.27
Young Chicken Str. (Mil Hd)	147.8	151.1	USDA Hide/Offal	13.32	13.24	13.69
			OK City Fdr. Str. (6-7 Cwt.)	269.94	NQ	181.03
Slaughter Cattle Live Weight	1339	1343	National Negotiated Hogs	100.34	98.50	121.21
Slaughter Hog Live Weight	283	284	Natl. Net Hog Carcass	100.22	97.79	111.56
Slaughter Lamb/Sheep Live Wt.	128	133	Feeder Pigs (40 Lbs) (\$/Head)	34.68	38.28	63.22
Beef Production (Mil Pounds)	511.6	545.4	Pork Cutout	111.41	107.41	118.30
Pork Production (Mil Pounds)	492.4	477.8	Lamb Cutout	435.74	435.72	548.97
Lamb, Mutton Prod. (Mil Lbs.)	2.0	2.1	Cheddar, 40 lb Block(\$/lb)	1.43	1.47	2.20
Previous 6 Wk. Moving Avg.			Corn, Omaha (\$/Bu)	5.64	5.62	7.45
Total Beef (Mil Lbs)	501.6	526.8	Soybeans, Cntrl IL (\$/Bu)	15.39	15.16	16.05
Total Pork (Mil Lbs)	480.9	482.5				
Total Lamb, Mutton (Mil Lbs)	2.0	2.2				

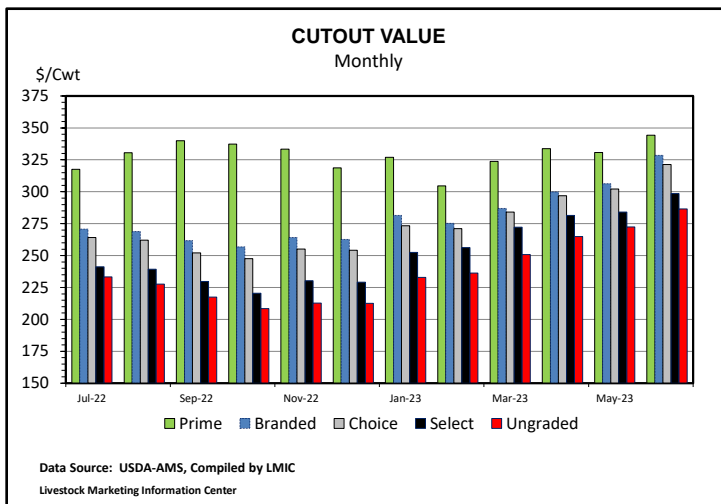
Source: Various USDA-AMS reports. Data are preliminary.

Trends. . . BOXED BEEF CUTOUT STARTS ITS SEASONAL WEAKENING

The comprehensive cutout fell for the second week in a row, pointing to the normal seasonal weakness that is often experienced after the Fourth of July holiday. Still, blended cutout values remain over \$300 per cwt. Large declines were seen in the rib and short plate primals, which are 4% and 3% lower, respectively than two weeks ago. The round primal rebounded slightly last week but is also down about 3% from the previous two weeks. Load counts across all grades fell dramatically on the week of Fourth of July, down 24% from the previous week. Smaller load counts over a holiday week are typical, but this year was also 13% below last year.

In the individual grades, Prime graded beef is seeing the smallest declines so far. Values remain sticky in big ticket items such as the rib primal and loin primal. Prime loins have yet to peak, continuing to climb week over week, while the rib has taken only a small setback from the peak this year. By comparison, all the Choice graded primal values are down except for flank (+1%). The other primal values are down between 1% and 5% from 2 weeks ago. Select graded beef is seeing similar trends, down 1-5%, including the flank primal.

Last year, July averaged a higher monthly comprehensive cutout than June versus in 2021 when the comprehensive cutout fell 13%. However, many of the primal values are much higher than a year ago. The average in June across all grades for the loin was 24% higher than a



year ago, the chuck was 19%, the rib was 17%, and the round was 15%. There would need to be a substantial decline in July, greater than 17%, to realize a cutout value below a year ago.

BEEF & PORK TRADE

USDA Economic Research Service (ERS) released the carcass weight trade data for May 2023 on Friday. In beef, trends largely continued: imports for the month were up 6% while exports fell 16% from last year. The U.S. imported greater than 20% more product from Argentina, Australia, New Zealand, and Uruguay, resulting in the largest single total import month since January. Several countries the U.S. exports to declined more than 13% in May, including the key countries of China, Japan, South Korea, and Vietnam. The price of U.S. beef is likely weighing on exports of beef product throughout the globe. LMIC forecasts the annual total for exports will be down 13% and imports of beef will be up about 8%. These forecasts are in line with current year-to-date figures for exports that are down 18%. Imports are forecast to increase in the second half of the year as year-to-date figures are down one-half percent.

Pork imports remained lower than a year ago, down 26%. Denmark and Poland exported less than half the amount of pork to the US that they exported last year. Canada sent 23% less. The total was just under 90 million pounds, on par with April's tally. Pork exports rose 12% to 618 million pounds to make it the largest single month since May of 2021. The U.S. showed strong growth to Mexico (+18%) and South Korea (+25%), two of the larger U.S. markets. China gained 7% on last year while Japan and Hong Kong declined 3-4% each. Year-to-date pork imports are down about 25% from last year, but LMIC forecasts for the annual total are calling for only a 15% decline. Domestic pork supplies are expected to tighten in the second half of the year and should incentivize additional production. Pork exports are forecast to be up 10% annually, tracking closely with year-to-date figures of up 10%.

RETAIL BEEF HIT NEW HIGHS

USDA ERS released retail meat prices on Wednesday, detailing what consumers were paying for meat in June. All fresh aggregate retail prices of beef hit new all-time highs in June, increasing to \$7.57 per pound, about 3 cents per pound over the previous record high in October of 2021. Retail fresh beef prices are 3.1% higher than last year at this time. Retail pork prices continued to decline, coming in at \$4.68 per pound, about 5% lower than last June. Broiler retail prices ticked higher. The composite price is 2% higher than last year but just under a new cord high by 4 cents.

U.S. Bureau of Economic Analysis released the consumer price index (CPI) also on Wednesday, which showed the index continued to tick up. Core inflation was listed at up 4.8%, while all items increased 3% over last year. The food index climbed 5.7% and is still persistently climbing. The meat index, though, has seen on small gains year-over-year for the last couple of months and is only 0.6% higher than last year, compared to poultry (+1.6%) and dairy products (+2.7%). Headlines after the report released pinned shelter as one of the major culprits for continued increases to the CPI. Housing rose 6.3% over last year and made a large month-over-month jump as well. Indexes for education, communication, and apparel declined from last month, and medical care and recreation both held steady. Energy index increased 4 points from last month but is still 16.7% below last year.

Although the rate of increase in the CPI index is slowing, many key necessities continue to show large gains in prices. Food is among the most concerning, still up well over 5% from a year ago. Retail meat prices appear strong for beef and chicken, but domestic pork demand still seems to be struggling. Adding to pork complications is the new Prop 12 law, which will likely increase the amount of pork on the domestic market outside of California.