

# Livestock Monitor

## A Newsletter for Extension Staff

### Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

October 27, 2023

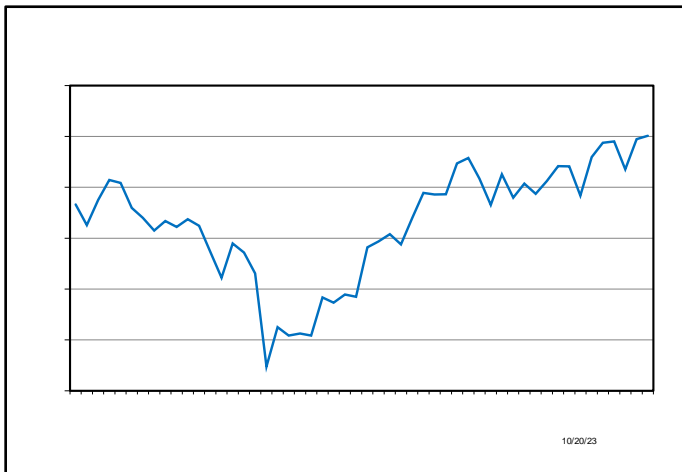
Production			Prices			
<b>Week Ending 10/28/2023</b>	Last	Year Ago	<b>Weekly Average (\$/Cwt)</b>	Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	636	667	Live Steer	183.72	186.15	151.95
FI Hog Slaughter (Thou Hd)	2614	2564	Dressed Steer	290.07	293.57	239.85
FI Sheep Slaughter (Thou Hd)	37	34	Choice Beef Cutout	306.49	304.63	261.19
Young Chicken Sltr. (Mil Hd)	170.0	174.0	USDA Hide/Offal	12.72	13.07	14.82
Slaughter Cattle Live Weight	1373	1382	OK City Fdr. Str. (6-7 Cwt.)	246.35	248.68	179.07
Slaughter Hog Live Weight	284	289	National Negotiated Hogs	72.09	72.98	96.35
Slaughter Lamb/Sheep Live Wt.	118	126	Natl. Net Hog Carcass	78.69	80.39	93.86
Beef Production (Mil Pounds)	527.0	555.8	Feeder Pigs (40 Lbs) (\$/Head)	36.20	35.85	53.99
Pork Production (Mil Pounds)	550.1	550.9	Pork Cutout	86.97	88.76	99.59
Lamb, Mutton Prod. (Mil Lbs.)	2.2	2.2	Lamb Cutout	471.57	463.08	486.29
<b>Previous 6 Wk. Moving Avg.</b>			Cheddar, 40 lb Block(\$/lb)	1.77	1.82	2.05
Total Beef (Mil Lbs)	518.5	555.1	Corn, Omaha (\$/Bu)	4.71	4.93	7.17
Total Pork (Mil Lbs)	545.1	544.6	Soybeans, Cntrl IL (\$/Bu)	12.82	13.05	13.75
Total Lamb, Mutton (Mil Lbs)	2.1	2.2				

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

### Trends. . . HEIFERS ON FEED GROW

Placements of cattle on feed in September surprised the market significantly last week, leading to a large liquidation in the futures market to the tune of \$6-8 per cwt in the deferred contracts. The cash market and boxed beef, though, have not shown a follow-through similar to the futures market slides this week.

The placement number showed that placements were up 5.8%, or 2.2 million head, from a year ago. This is the largest placement number since October of 2021 and was not caused by the same type of drought pressure seen in that year. Strong feeder and calf prices are incentivizing movement into feedlots. The ratio of steers to heifers continued to grow. Heifers on feed on October 1 totaled 4.6 million head, a 1.3% rise since last October and puts the ratio of heifers on feed at 40% of total cattle on feed. Higher placements and even higher heifer numbers suggest that heifer retention is limited. Herd rebuilding does not appear to be happening this year, and it will be at least another year out to see a January 1, year-over-year expansion in the cow herd.



October placements are normally seasonally larger, but last year, September and October saw similar volumes. The large volume of placements seen in September may mean October does not see as strong a seasonal rally again this year, but preliminary feeder receipt data indicate ample movement. Totals across auctions, direct sales, and video/internet sales are up 5% in the first three weeks. Auction data alone however, is down 4%. Receipt data on a weekly basis is also indicating heifers as

the percentage of receipts is still averaging over 40% of those transactions as well, further evidencing the lack of heifer retention happening in the country.

## RED MEAT & POULTRY IN COLD STORAGE

Cold storage for the month of September showed inventories of certain products to be well below a year ago while others are quite high. Most red meat categories are showing year-over-year declines. Total beef in cold storage was down 20% from a year ago driven by similar declines in both boneless and beef cuts. Beef stores have failed to follow the normal seasonal trend of building substantially after June and are 55 million pounds behind the five-year average. If this trend continues, then it will likely allow wholesale meat values to rise. However, USDA NASS's Cold Storage report does not provide a product breakout, so the increases may not be evenly distributed across product types.

Total pork is down 14% from last year with all but three cuts showing below a year ago totals. The exceptions are bone-in hams, which are even with a year ago; bone-in loins, up 17%; and bone-in picnics, up 17%. Spare ribs have the largest deficit relative to last year, down 41%, followed by bellies, down 19%. Veal in cold storage continues to be at very low volumes, a trend that has been unfolding for several years. September's report listed the veal total at 1.3 million pounds, 67% smaller than last year. Lower slaughter numbers have continued to shrink the overall profile of veal for several years now. Lamb and mutton in cold storage is down 15%. Lamb imports for most of 2023 have been below a year ago, which has allowed lamb in cold storage to retreat further. September trade data did show an increase in lamb and mutton imports, which may need to be watched going into the 4th quarter. High lamb prices and wholesale meat values are certainly offering an incentive for additional products to come to the U.S.

Large-percent increases have been seen in the poultry complex. This is unsurprising in turkey after the struggles with HPAI, and it should be worth noting those struggles are reappearing. The September report indicated a 7% increase in turkey over a year ago with some categories listed at 100 and 200% above a year ago. Whole turkeys are down slightly by 3%, which means holiday birds may not see a cost price relief on the consumer side. Overall, turkey is following its normal seasonal pattern and has reached the end of its building phase for the year. Month-over-month declines should be expected from now until the end of the year. Total chicken in cold storage is below a year ago by 4%, but some key products are showing large increases. Breast meat is among them, up 14% from last year; followed by thigh meat, up 9%; and legs, up 6%. Whole hens are double the inventory of last year and in August 2023 were at the highest level since November of 2016. The chicken complex has gone through a period of relatively low profitability this year, but in recent weeks, many prices have ticked up. Lower production is expected in the next two quarters; this decrease should help continue to boost bottom lines and may help clean-up aspects of poultry cold storage, although a mixed export market outlook has been a factor as well.

## HPAI Hits Turkey Flocks

Highly Pathogenic Avian Influenza (HPAI) has made a resurgence over the last few weeks. At the time of this writing, October alone had 34 reported cases of HPAI according to data released by USDA Animal and Plant Health Inspection Service (APHIS). The 34 reported cases in October amounted to 944,401 birds affected by HPAI in twelve states across the U.S. During October, most of birds affected by HPAI, 92.2% or 870,500 birds, were identified as commercial turkey meat birds. Of the commercial turkey meat birds affected in October, 307,200 were in Minnesota, 291,600 in South Dakota, 141,800 in Utah, 98,300 in Iowa, and 31,600 in California.

HPAI cases have also been reported in other categories and states. In Minnesota, USDA APHIS has reported cases at commercial breeder operations (20,400 birds affected) and commercial turkey breeder toms operations (2,700 birds affected). Cases were reported by the World Organisation for Animal Health (WOAH). WOA non-poultry cases in Colorado, Idaho, Iowa, Minnesota, Montana, North Dakota, Oklahoma, Oregon, and Washinton totaled 401 birds affected. WOA poultry cases totaling 50,400 birds affected have been reported in Montana and Oregon. The reported cases span across multiple states and flyways, revealing the spread of HPAI has occurred quickly during the migratory season and raising concerns about potential implications to turkey supplies going into the holiday season. These concerns are warranted, but the short-term impacts may be limited. Turkey in cold storage stocks was 419 million pounds in September, up 7.0% from last year, indicating supplies are available for the upcoming holiday season. Whole turkey prices (hen 8-16 lbs.) have been trending lower for most of the year with recent weeks around \$1.15 per pound, well below last year's record prices. Turkey breast prices remain flat, around \$2.60 per pound and more than \$4 per pound below last year levels.