Livestock Monitor

A Newsletter for Extension Staff
Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . . November 5, 2021

Production

Week Ending 11/6/2021	Last	Year Ago
FI Cattle Slaughter (Thou Hd)	650	652
FI Hog Slaughter (Thou Hd)	2611	2707
FI Sheep Slaughter (Thou Hd)	33	38
Live Y. Chicken Sl. (Mil Hd)	164.2	166.4
Slaughter Cattle Live Weight	1379	1392
Slaughter Hog Live Weight	288	293
Slaughter Lamb/Sheep Live Wt.	124	122
Beef Production (Mil Pounds)	540.7	547.2
Pork Production (Mil Pounds)	558.6	588.0
Lamb, Mutton Prod. (Mil Lbs.)	2.0	2.3
Previous 6 Wk. Moving Avg.		
Total Beef (Mil Lbs)	543.1	546.3
Total Pork (Mil Lbs)	552.1	580.5
Total Lamb, Mutton (Mil Lbs)	2.3	2.2

Prices

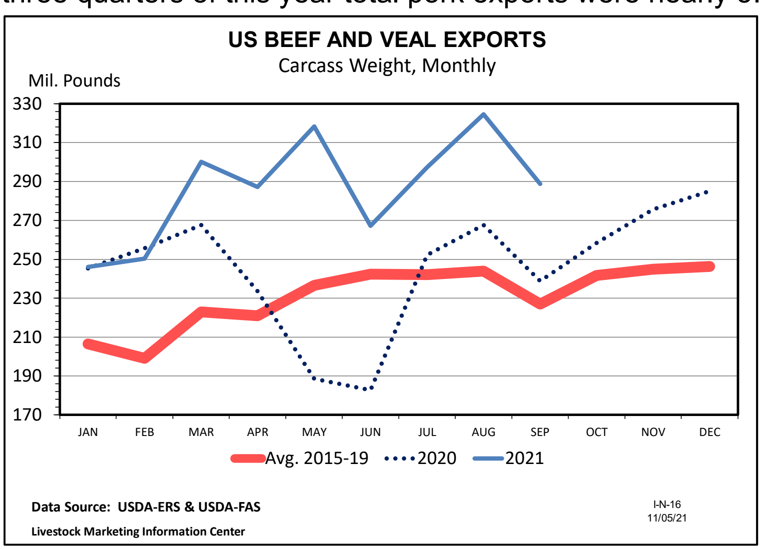
Weekly Average ($/Cwt)	Last	Week Ago	Year Ago
Live Steer	128.12	126.29	106.33
Dressed Steer	202.05	199.89	165.35
Choice Beef Cutout	288.64	284.41	211.03
USDA Hide/Offal	16.33	16.37	8.35
OK City Fdr. Str. (6-7 Cwt.)	156.96	156.87	139.63
National Negotiated Hogs	60.63	62.89	60.69
Natl. Net Hog Carcass	79.69	80.66	70.84
Feeder Pigs (40 Lbs) ($/Head)	69.80	72.10	49.72
Pork Cutout	96.22	94.58	84.00
Lamb Cutout	619.73	630.78	402.01
Cheddar, 40 lb Block($/lb)	1.82	1.83	2.73
Corn, Omaha ($/Bu)	5.44	5.55	3.98
Soybeans, Cntrl IL ($/Bu)	12.28	12.42	11.06

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

Trends. . . BEEF EXPORTS CONTINUE RECORD PACE

U.S. beef exports are on a record pace this year with the recently released trade data for the month of September at 288.7 million pounds shipped, a 20.9% increase from a year ago. Through the first three quarters of the year beef exports have totaled nearly 2.6 billion pounds, up 21% from 2020. The current record for total beef exports was set in 2018 which was nearly 3.2 billion pounds. In 2018, beef exports through the first nine months of the year were almost 2.4 billion pounds. This year, through the same nine months, beef exports have exceeded that level by 219.5 million pounds. Stronger year-to-date shipments to Mexico, South Korea, and China have supported export levels this year. Assuming fourth quarter beef exports remain above the prior year's levels, 2021 is poised to set a record.

Pork exports slid lower in September to 510.1 million pounds, down 6.3% from last year. Through three quarters of this year total pork exports were nearly 5.4 billion pounds, down 0.8% from the same period in 2020. The first three quarters exports to China have fallen 37.1%, but this has been partially offset by higher exports to Mexico (up 29.8%), Japan (up 6.5%), South Korea (up 5.0%), and Philippines (up 143.3%). Although the Philippines account for about 3.5% of total pork exports through the first three quarters, there has been a more than two-fold increase in exports this year to 189.3 million pounds. Year-to-date gains also occurred in Central America with Colombia, Honduras, and Guatemala, each up 54.9%, 40.5%, and 101.5%, respectively.



Lamb imports were 26 million pounds in September, up 63.4% from a year ago. Rising imports from Australia and New Zealand through the first three quarters of the year have fueled a 27.7% increase in total lamb imports to 198.8 million pounds. Year-to-date imports from Australia are up 23.6% to 147.7 million pounds while New Zealand has grown 43.7% to 48.2 million pounds.

Broiler exports in September fell 3.2% from a year ago to 597.3 million pounds. Year-to-date broiler exports are up 4.4% as declines in shipments to Asian markets (China, Taiwan, Hong Kong, and Vietnam) have been more than offset by increases in export levels to Mexico, Cuba, Guatemala, and Philippines. Turkey exports fell 4.3% in September to 45.7 million pounds, but year-to-date exports are up marginally (0.8%).

KSU FEEDLOT AND CATTLE ON FEED

The September Kansas State University Focus on Feedlots data has been showing a steady decline in average days on feed with both steers and heifers below a year ago for the last four months. In September, the average days on feed for steers was 159 days compared to 175 last year and 165 for the five-year average (2015-19). Similarly, heifers were 169 average days on feed versus 176 a year ago and 160 for the five-year average. Although average days on feed is lower, feedlots show cattle on feed over 120 days in October was up 3.3% from last year and 7.6% above the five-year average.

Since the start of the year, average cost of gain for steers has risen 32.8% ($27) while heifers have increased 37.2% ($32). Average cost of gain in September was $109.29 and $118.34 per cwt, respectively, for steers and heifers, the highest in about eight years. It is also worth noting that the KSU Feedlot average cost of gain data does not include the cost of feeder, yardage, and interest costs. Higher average cost of gain is primarily due to rising feed costs for corn, up 47.7% ($2.25) and ground alfalfa hay, up 31.2% ($43) since the start of the year. The higher cost of gain will also motivate cattle feeders to market cattle quicker.

The latest USDA Cattle on Feed report as of October 1 reported 11.55 million head (down 1.4%) on feed, the second highest level behind October 2020's record of 11.72 million head. The percentage of heifers on feed accounted for 38.8% of the total compared 37.6% last year. This falls in line with the September KSU Feedlot data which showed a lower percentage of steers on feed (60.3%) and a higher percentage of heifers on feed (39.7%), compared to 64.1% and 35.9% a year ago for steers and heifers, respectively. The higher number of heifers on feed is likely caused by ongoing drought in the western U.S. Persistent drought has limited available feed supplies which is likely causing some producers to divert heifers away from breeding and into feedlots.

QUARTERLY MILK COW REPLACEMENT VALUES

Agricultural Prices released by USDA NASS at the end of October updated the U.S. milk cow replacement cow values through the third quarter of 2021. Dairy herd numbers have been falling with the latest milk production report posting milk cows at 9.422 million head, down 85 thousand head from the highest point in the year of 9.507 million head. Still, dairy slaughter levels have only been moderately higher. Year to date dairy cow slaughter is up only 2.2% or 53.5 thousand head. Third quarter dairy cow slaughter and the first two weeks of October show dairy cow slaughter is accelerating and was 8% higher than last year.

Milk cow replacement values been rather sticky, remaining in the small range of $1310 to $1380 per head since April of 2020. During those quarters the U.S. milk cow value has hit $1310 and $1340 per head twice, and has averaged $1340 for those 6 quarters. Since late 2017 milk cow replacement values have been on a downward trend bottoming at $1140 per head nationally in 2019. Values have increased but have seen ups and downs since then between $1230 and $1380 per head. In the latest quarter (3rd 2021) Arizona had the highest milk cow replacement values at $1500 per head. Only a handful of states sold dairy cows over $1400 per head and those include Colorado, New Mexico, Vermont and Wisconsin. States with milk cow values below $1300 per head were broader covering states of Georgia, Minnesota, New York, Oregon, Utah, and Virginia.