

# Livestock Monitor

## A Newsletter for Extension Staff

### Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

April 29, 2022

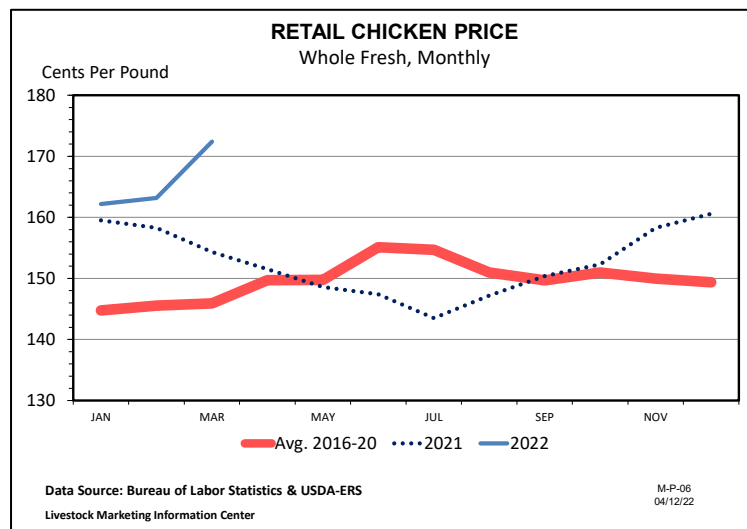
Production			Prices			
Week Ending 4/30/2022	Last	Year Ago	Weekly Average (\$/Cwt)	Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	656	653	Live Steer	143.31	143.02	118.89
FI Hog Slaughter (Thou Hd)	2403	2442	Dressed Steer	232.32	232.29	190.44
FI Sheep Slaughter (Thou Hd)	35	47	Choice Beef Cutout	263.21	269.58	291.79
Young Chicken Str. (Mil Hd)	160.8	164.3	USDA Hide/Offal	13.44	13.31	11.55
			OK City Fdr. Str. (6-7 Cwt.)	177.00	172.36	146.27
Slaughter Cattle Live Weight	1378	1365	National Negotiated Hogs	103.20	102.48	111.64
Slaughter Hog Live Weight	293	289	Natl. Net Hog Carcass	101.94	101.65	104.20
Slaughter Lamb/Sheep Live Wt.	130	120	Feeder Pigs (40 Lbs) (\$/Head)	100.35	102.57	93.13
Beef Production (Mil Pounds)	545.0	536.5	Pork Cutout	105.18	109.32	109.24
Pork Production (Mil Pounds)	525.2	526.4	Lamb Cutout	576.03	573.57	432.66
Lamb, Mutton Prod. (Mil Lbs.)	2.3	2.9	Cheddar, 40 lb Block(\$/lb)	2.32	2.27	1.80
<b>Previous 6 Wk. Moving Avg.</b>			Corn, Omaha (\$/Bu)	8.32	8.09	6.68
Total Beef (Mil Lbs)	542.8	530.3	Soybeans, Cntrl IL (\$/Bu)	17.24	17.73	15.56
Total Pork (Mil Lbs)	524.7	535.6				
Total Lamb, Mutton (Mil Lbs)	2.5	2.8				

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

### Trends. . . RECORD PORK AND POULTRY PRICES

The monthly USDA ERS Meat Price Spread data for March showed retail beef prices remain elevated while pork and chicken retail prices hit record levels. Retail beef prices were \$7.67 per pound in March, up \$1.20 or 18.6% from a year earlier. The strong retail beef price was driven by a record ground beef price of \$4.76 per pound, up 17.7% or \$0.72 from 2021. The chuck and round roasts were \$6.99 and \$6.30 per pound, respectively, up 14.8% and 11.9%. In March, stew beef was the second highest price on record at \$7.16 per pound, up 24.3% but below the record of \$7.36 in December 2021. Sirloin steaks increased 16.7% from last year to \$10.66 per pound but were a dollar below the record level of \$11.65 set in October 2021.

Retail pork prices set a new record high of \$4.84 per pound in March, an increase of 16.1% or \$0.67 from last year. In 2021, retail pork prices initially reached a record of \$4.32 per pound in April. For the next eight consecutive months (April-November) prices set new record highs before a slightly decline between December 2021 and February 2022 when prices averaged \$4.75 per pound. The



strong pace in retail pork prices is reflected in pork cuts. Bone-in chops set a record price of \$4.68 per pound (up 15%). Boneless hams were also a record price in March, up 7.5% to \$5.15 per pound. Boneless ham prices have set records for the last three consecutive months. Bacon prices were \$7.20 per pound, a 23.1% or \$1.35 rise from the prior year.

In March, the retail broiler price was the second highest on record at \$1.72 per pound, an 11.7% or \$0.18 increase from a year ago. For the retail broiler composite price, a record was set in March at \$2.32 per pound, rising 15.5% (\$0.31) from last year. The broiler composite price is defined

as the “retail value of the composite wholesale value for broilers.” Strength in retail broiler prices was due to record setting prices for bone-in chicken legs and boneless chicken breast. Bone-in chicken legs increased 16.9% (\$0.27) to a record price of \$1.83 per pound. Boneless chicken breast set a record price of \$3.87 per pound in March, up 17.6% or \$0.58. Eggs were \$2.04 per dozen which is 25.9% above a year earlier but well below the record high of \$2.97 during the 2014/15 highly pathogenic avian influenza outbreak.

Milk prices reached the second highest level in March to \$3.92 per gallon which is up 17% from last year and just below the record price of \$3.96. Both American and Cheddar cheese prices were down 3.9% and 3.4%, respectively, from a year ago to \$3.98 and \$5.49 per pound.

## CATTLE ON FEED UP

Placements surprised the industry being very close to year ago levels last week and pushed feedlot inventories up 2% over a year ago. This marks the 4<sup>th</sup> month of cattle on feed over 12 million head and a new record for the month of April. Placement data showed very high placements in some interesting areas, which could point to some early drought related movement in the West. Arizona, California, Idaho, Nebraska, and Washington all had placements above a year ago. The largest of the group was Washington: up 68%, and the smallest was Arizona: up 3% over last year. Compared to March, Texas placements increased 85 thousand head, and Kansas was up 60 thousand head, but neither showed a year over year increase. Increases in weight groups were as follows: 600-699, up 5 thousand head; 700-799, up 20 thousand head; and 900-999 up 5 thousand head from 2021.

Marketings were down from a year ago by 2%, as daily average marketings slipped back below 90 thousand head per day. Cattle on feed over 120 days remains over 4.5 million head for the second month in a row and the highest level since April of 2021. Cattle on feed more than 90 days is in its third month of over 6.4 million head, also the highest since March 2021.

Larger than expected placements in the 600-800 pound range indicates slaughter levels will be larger than originally forecast in the 6-8 month window from March, which likely means a slowdown by the first quarter in 2023. LMIC current forecasts show fourth quarter slaughter down 3.9% and first quarter of 2023 down 5.5%. The relationship between the two appears to still be correct but numbers may shift around between these two quarters. Very high cow slaughter is expected to drop off considerably from the prior year, which is muting the changes to the feedlot cattle flow as well.

## NEAR RECORD SOW PRICES

The March 1 Hogs and Pigs report noted that hogs kept for breeding declined 1.9% to 6.098 million head which is the lowest level for March since 2017. Declines were also seen in the December-February farrowings, down less than 1% to 2.901 million head. Farrowing intentions are also pointing towards lower numbers with the March-May period down 1.5% to 2.988 and June-August down less than 1% to 3.031 million head. The lower breeding herd and farrowing numbers have also led to lower levels of sow slaughter. Weekly sow slaughter through mid-April has been averaging about 59,000 head per week, this is 6.4% or 4,000 head below the same period last year. The pace of average weekly sow slaughter this year is in line with the five-year average which is 60,000 head. The more seasonal pace to sow slaughter has pushed sow prices to near record levels in recent weeks.

Sow prices (national negotiated weighted average 450-499 lbs.) typically follow a pattern where prices peak about three times during the year. The first peak usually occurs around April, the second peak typically happens in late-June or early-July, and the third smaller peak appears in November. This year, sow prices have followed the typical pattern with prices reaching the first peak of \$98.57 per cwt the week of April 16, 2022. This year's peak price was the third highest on record trailing behind two weeks in mid-April 2014 that were \$98.93 and \$98.99 per cwt. In the last two weeks, sow prices have fallen to \$96.19 and \$99.99 per cwt.

The near record sow prices provide an economic opportunity for producers to cull sows and replace them with gilts. Producers are also dealing with substantially higher feed costs compared to a year ago which is also weighing on production decisions. Iowa State University's estimated returns for a farrow to finish hog operation showed a profit of \$31.54 per head in March. From a year ago, total feed costs in March soared 17% with the bulk of the increase coming from a 34% jump in corn costs. Feed costs will likely continue to be a headwind as producers take a measured approach to production.