

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

May 13, 2022

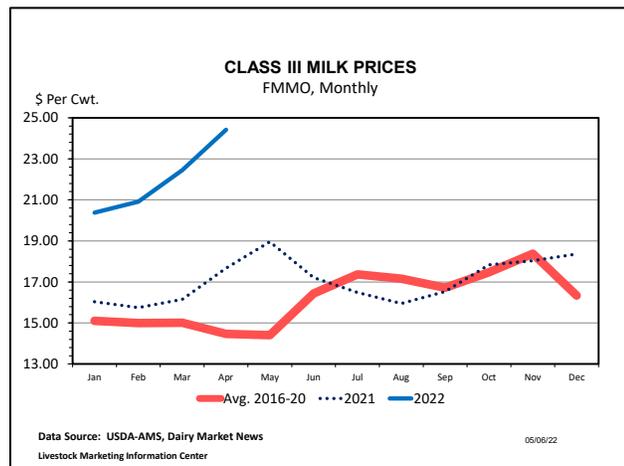
Production			Prices			
Week Ending 5/14/2022			Weekly Average (\$/Cwt)			
FI Cattle Slaughter (Thou Hd)	Last	Year Ago	Live Steer	Last	Week Ago	Year Ago
FI Hog Slaughter (Thou Hd)	657	644	Dressed Steer	142.39	143.42	119.73
FI Sheep Slaughter (Thou Hd)	2375	2383	Choice Beef Cutout	229.00	230.69	190.49
Young Chicken Sltr. (Mil Hd)	37	39	USDA Hide/Offal	256.95	258.29	314.06
Slaughter Cattle Live Weight	162.9	163.6	OK City Fdr. Str. (6-7 Cwt.)	13.35	13.63	12.00
Slaughter Hog Live Weight	1374	1367	National Negotiated Hogs	174.37	172.03	149.04
Slaughter Lamb/Sheep Live Wt.	293	288	Natl. Net Hog Carcass	107.86	104.75	115.01
Beef Production (Mil Pounds)	126	125	Feeder Pigs (40 Lbs) (\$/Head)	100.67	100.83	107.83
Pork Production (Mil Pounds)	544.5	530.8	Pork Cutout	80.23	92.93	87.85
Lamb, Mutton Prod. (Mil Lbs.)	518.4	512.4	Lamb Cutout	100.77	105.39	114.47
Previous 6 Wk. Moving Avg.			Cheddar, 40 lb Block(\$/lb)	587.18	584.60	454.73
Total Beef (Mil Lbs)	2.3	2.5	Corn, Omaha (\$/Bu)	2.38	2.36	1.82
Total Pork (Mil Lbs)	543.0	533.9	Soybeans, Cntrl IL (\$/Bu)	8.11	8.16	7.09
Total Lamb, Mutton (Mil Lbs)	520.7	525.9		16.54	16.71	16.33
	2.5	2.7				

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

Trends. . . CLASS III REACHES FOR RECORD HIGH

Class III milk prices reached over \$24 per cwt towards the record high from 2014 of \$24.60, but was just shy, posting \$24.42 per cwt. Class IV milk prices have posted a new record high in each of the last three months, cascading over \$25.31 per cwt in April. Butter, cheddar barrels & blocks, are all above \$2 per pound, and nonfat dry milk (NFD) is hovering about 10 cents under. This year has the run-up in prices started with butter increasing from \$2.15 per pound in January to holding \$2.70 in three of the last four months. Cheddar blocks and barrels very quickly moved up to the \$2 mark in three months and significantly narrowed the spread for blocks and barrels as well. Barrels in April were \$2.35 per pound and \$2.34 per pound for blocks.

Sharp gains in milk price have abruptly changed the direction of dairy cow slaughter, which was behaving very similar to the five-year average. The first 15 weeks of 2022 averaged about 64 thousand head a week, and the last three weeks have averaged 54 thousand, and the most recent week was 51 thousand head. In



2014, Class III milk price peaked in September, but the second highest month that year was April. Very strong gains in milk per cow and a slowly building herd, lowered prices over the summer, but export demand helped propel Class III forward. Cheese exports in 2014 rose 16% over 2013. Class IV price in 2014 peaked in August after making gains through most of the year, but fourth quarter trailed lower.

The export market was a large component to 2014's run-up in prices. So far in 2022, exports have also been extremely supportive. First

quarter exports for butter and dairy oils were up 63%, cheese and curds climbed 13% over 2021.

Expectations are that milk price overall will do well this year but may pause during the highest milk production time of the year. Cow numbers and production will need to remain in check and exports will likely continue to play a big role this year. The world economy is in a more precarious position than it was in 2014, and the potential for exports to shift is a risk.

PASTURE & RANGE

U.S. pasture and range conditions started off worse in 2022 than the prior year even though Western region conditions showed improvement. More than 50% of U.S. pasture and range is rated poor to very poor compared to just under 50% last year. Western pastures are rated under 40% poor and very poor compared to more than 50% a year ago. Great Plains and southern plains states are showing more severe conditions at this time. Great Plains pasture and range conditions are currently rated 60-55% poor and very poor in the first two week of the year, needing additional feed to support normal stocking densities. The five-year average indicates that the start of year typically only shows about a 10% rating of poor and very poor.

The starkest deterioration is in the Southern Plains as the drought has been more focused in that area than in recent years. The first two weeks of rating conditions have been between 57-50% poor and very poor conditions. Last year the May ratings kicked off grazing season at about 30% poor and very poor conditions and the five-year average is closer to 15% for this time of year. Timely and frequent rain events will be required to keep this region from deteriorating further.

RECORD FIRST QUARTER BEEF EXPORTS

March trade data showed record beef exports while pork exports held steady. Beef exports in March totaled 303.7 million pounds, up 1.2% from last year. It was also the highest beef export level reported for any month of March. March trade also finalized first quarter trade statistics which showed the first quarter of 2022 were record large at 845.8 million pounds, up 6.2% from a year earlier. South Korea, Japan, and China were the top three destinations during the first quarter at 208.9, 186.0, and 145.4 million pounds, respectively. First quarter beef exports to China were a record at 145.4 million pounds, up 61.8% from 2021. Beef imports were 353.8 million pounds in March, up 29.5% from a year ago. Total first quarter beef imports were 984.6 million pounds, 41.4% higher than 2021 and the largest first quarter level on record. During the first quarter, Brazil was the highest supplier at 230.2 million pounds shipped, a five-fold increase from 2021 which also accounted for one third of total imports.

March pork exports totaled 544.2 million pounds, down 25.3% from a year ago but in line with the five-year average. First quarter pork exports were down 20% from 2021 to 1.5 billion pounds. During the first quarter, Mexico was the top pork export market with 602.5 million pounds shipped, an increase of 42.4%. Japan ranked as the second highest pork export destination at 276.2 million pounds, down 16.1% from 2021. South Korea rounds out the third spot with 133.9 million pounds shipped, down 7.4% from a year earlier. March pork imports were a record at 132.9 million pounds, 45.9% above last year. This resulted in first quarter pork imports being 358.3 million pounds, up 45.0% from 2021 and the largest first quarter pork import level recorded. Canada was the main supplier at 223.7 million pounds, up 42.4% from 2021 and 62% of total pork imports for the quarter.

First quarter broiler exports totaled nearly 1.9 billion pounds, a record for the first quarter of any year and up almost one percent (0.7%) from a year ago. Turkey exports were 107.4 million pounds in the first quarter, down 17.6% from a year earlier. First quarter lamb and mutton imports were 88.3 million pounds, up 28.9% from last year.