

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

May 12, 2017

Production			Prices			
Week Ending 5/13/2017	Last	Year Ago	Weekly Average (\$/Cwt)	Last	Week Ago	Year Ago
FI Cattle Slaughter (Thou Hd)	609	598	Live Steer	137.86	144.60	132.56
FI Hog Slaughter (Thou Hd)	2258	2162	Dressed Steer	220.53	229.80	208.39
FI Sheep Slaughter (Thou Hd)	34	39	Choice Beef Cutout	244.55	232.55	213.00
Live Y. Chicken Sl. (Mil Hd)	161.9	159.5	USDA Hide/Offal	11.54	11.83	11.14
			GA Auction Fdr. Str. (6-7 Cwt.)	141.14	141.59	136.88
Slaughter Cattle Live Weight	1325	1336	Iowa/S. Minn. Base Hog	69.40	62.68	74.44
Slaughter Hog Live Weight	285	284	Natl. Net Hog Carcass	70.05	65.26	76.26
Slaughter Lamb/Sheep Live Wt.	133	143	Feeder Pigs (40 Lbs) (\$/Head)	56.42	54.75	65.34
Beef Production (Mil Pounds)	486.5	485.0	Pork Cutout	81.25	76.37	82.81
Pork Production (Mil Pounds)	480.8	459.6	Lamb Cutout	352.27	337.76	310.52
Lamb, Mutton Prod. (Mil Lbs.)	2.3	2.8				
Previous 6 Wk. Moving Avg.			Corn, Omaha (\$/Bu)	3.43	3.38	3.67
Total Beef (Mil Lbs)	482.1	468.1	Wheat, Portland (\$/Bu)	4.81	4.74	5.39
Total Pork (Mil Lbs)	484.9	466.0	Wheat, Kansas City (\$/Bu)	3.99	4.02	4.34
Total Lamb, Mutton (Mil Lbs)	2.5	2.8	Soybeans, Cntrl IL (\$/Bu)	9.58	9.61	10.57

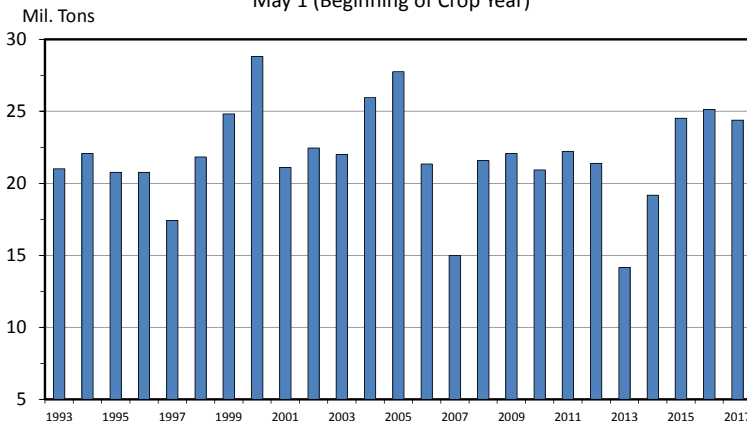
Source: Various USDA-AMS reports. Some data are preliminary.

Trends . . . U.S. HAY STOCKS DOWN YEAR-OVER-YEAR

USDA released the monthly Crop Production report by the National Agricultural Statistics Service (NASS) on Wednesday of this week. The crop report covered commodities mostly unrelated to the livestock sectors, but did contain the May 1, 2017 hay stocks. The report is based on a NASS survey of producers. U.S. hay stocks for May 1st give a carryover number as of that date which marks the national transition to a new hay crop-year. Besides national totals, stocks by state are reported. The major users of hay are the U.S. beef cowherd, feedlots, and dairies.

Nationally, as of May 1, 2017, U.S. hay stocks were 24.4 million tons. Stocks were down 750,000 tons (3%) year-over-year. Even though stocks were the smallest since May 1, 2014 (19.1 million tons), they remained plentiful. NASS does a producer survey on their hay stocks twice each year, as of December 1 and May 1. U.S. winter hay usage (disappearance from December 1, 2016 until May 1 of this year) was less than expected earlier this year. Still, in several regions, early winter feeding requirements were above levels of recent years and lower hay prices encouraged use. Of course, year-over-year cowherd increases supported hay consumption, too. Overall hay disappearance this past winter was the largest since the time period from December 1, 2009 to May 1, 2010 and the year-over-year increase was 2.3%, while the number of roughage consuming animal units increased 2.0% year-over-year.

US ALL HAY STOCKS
May 1 (Beginning of Crop Year)



Data Source: USDA-NASS

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Of the 48 reported states (all except

Alaska and Hawaii) 22 had declines in hay stocks compared to a year ago. Several Northern Plains and Western states reported lower hay stocks compared to a year ago. In contrast, Texas, Oklahoma and most Midwest states had increased hay stocks to start the new crop-year.

The national average price for all hay in 2016/17 was the lowest since the 2010/11 crop-year. Based on current stock levels and very preliminary projections regarding 2017 production, hay prices may increase modestly year-over-year in 2017/18, but not enough to be a factor influencing most producer management or marketing decisions.

PASTURE AND RANGE CONDITIONS UPDATE

USDA-NASS (National Agricultural Statistics Service) initiated their weekly U.S. pasture and range conditions ratings (first release was Monday May 8th). NASS reported that as of early May range and pasture conditions were similar to a year ago. The ratings come from NASS county Extension staff of Land Grant Universities and other industry-based crop observers. The ratings are in 5 qualitative categories; excellent, good, fair, poor and very poor.

Nationally, only 9% of the pastures were rated poor or very poor at the start of this May versus 10% a year ago. Sixty-three percent of range and pastures were in the good to excellent condition, up from 58% a year ago. Compared to the prior 5-year average (2011-2015), U.S. early season conditions are much improved.

The end of the drought in California in recent months had the expected effect on range and pasture conditions in that state as only 5% of the pastures are rated poor or very poor, currently, compared to 15% a year ago. California pastures rated excellent picked up the difference with a jump from 30% to 40%. The improvement in California reduced Western region range and pastures rated poor or very poor by 5% from a year ago. Range and pasture conditions across the Western region have improved dramatically when compared to the early parts of this decade, when extreme dryness was felt from the Pacific to the eastern slope of the Rockies.

Pasture conditions in the Southeastern and Midwest states currently are similar to a year ago. Drought conditions plagued the Southeastern region in the late summer and early fall of last year. Current conditions in the Southeastern region are close to what they were last spring but slightly below 2015 and prior years. Midwestern pasture and range conditions are very favorable, like a year ago, rivaling the best conditions since ratings have been maintained by the LMIC back to 1995.

The Great Plains region (Kansas and Colorado north to North Dakota and Montana) has the greatest concentration of beef cows and pasture conditions this spring are about the same as a year ago. Sixty-three percent of the pasture and range is rated good or excellent in this region compared to 61% a year ago. Currently, pastures rated poor or very poor account for 8% of the total, the same as a year ago. Two years ago, in early May, only 40% of the pastures in this region were rated good or excellent.

STRONG FIRST QUARTER U.S. RED MEAT EXPORTS

Expectations for gains in beef and pork exports this year have been optimistic, following up on the momentum from last year and prospects for more increases in red meat production this year. The first quarter of 2017 has not disappointed. Pork export tonnage was up 17% during January-March compared to a year earlier and beef exports increased 22%. The World Supply and Demand Estimates (WASDE) released by the USDA-World Agriculture Outlook Board (WAOB) are calling for beef exports to be up 10% this year, or 256 million pounds (carcass weight equivalent pounds). The increase in beef exports during the first quarter alone was 117 million pounds. In the case of pork, the WAOB is calling for exports to be up 10% this year, or 514 million pounds. The first quarter increase in pork exports has accounted for 210 million pounds of that gain. By mid-year, the majority of the gains in beef and pork exports should be in place, relative to 2016.

The highlight of red meat export shipments in March was the amount of pork sold to Mexico. Pork shipments to Mexico in March were up 40%, a record for the month of March, topping the prior high set in 2015 by close to 20%. Shipments of U.S. pork to Mexico during the first three months of 2017 set records for each of those months. Last year, Mexico accounted for 31% of all U.S. pork exported tonnage. That share has ratcheted up to 33% for the first quarter of this year. Even if the increase in sales to Mexico moderates during the spring and summer quarters and holds steady with a year ago during the last quarter of 2017, shipments of U.S. pork to Mexico will be up 10% from last year's.