

Livestock Monitor

A Newsletter for Extension Staff

Livestock Marketing Information Center

State Extension Services in Cooperation with the USDA

Market Indicators . . .

September 10, 2021

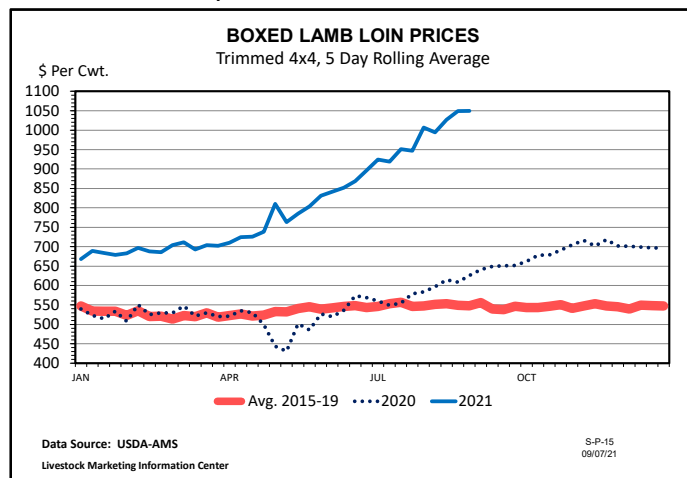
Production			Prices			
Week Ending 9/11/2021			Weekly Average (\$/Cwt)			
FI Cattle Slaughter (Thou Hd)	Last	Year Ago	Live Steer	Last	Week Ago	Year Ago
FI Hog Slaughter (Thou Hd)	577	581	Dressed Steer	124.73	125.61	101.21
FI Sheep Slaughter (Thou Hd)	2274	2334	Choice Beef Cutout	200.81	201.79	160.66
Live Y. Chicken Sl. (Mil Hd)	24	33	USDA Hide/Offal	332.46	339.54	222.12
Slaughter Cattle Live Weight	161.3	173.9	OK City Fdr. Str. (6-7 Cwt.)	15.31	15.42	7.89
Slaughter Hog Live Weight	1357	1379		NQ	161.93	NQ
Slaughter Lamb/Sheep Live Wt.	280	284	National Negotiated Hogs	88.46	91.29	50.84
Beef Production (Mil Pounds)	119	124	Natl. Net Hog Carcass	96.03	98.61	64.25
Pork Production (Mil Pounds)	473.2	488.0	Feeder Pigs (40 Lbs) (\$/Head)	70.89	67.56	33.06
Lamb, Mutton Prod. (Mil Lbs.)	474.4	494.9	Pork Cutout	107.47	108.54	80.79
Previous 6 Wk. Moving Avg.			Lamb Cutout	629.56	621.68	366.63
Total Beef (Mil Lbs)	1.4	2.1	Cheddar, 40 lb Block(\$/lb)	1.77	1.75	1.81
Total Pork (Mil Lbs)	519.2	529.2	Corn, Omaha (\$/Bu)	5.65	5.86	3.54
Total Lamb, Mutton (Mil Lbs)	496.4	533.7	Soybeans, Cntrl IL (\$/Bu)	12.70	12.89	9.84
	1.9	2.2				

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

Trends. . . WHOLESALE MEAT PRICES EASE

Across the pork, lamb, and beef complex, nearly all the wholesale meat cut prices have eased from summer highs along with some rather steep declines in the cutout values. Choice boxed beef weekly average value dipped just over \$7 per cwt. Pork cutout values declined for the fourth consecutive week, \$16.69 lower than four weeks ago. Even lamb cutout values are slipping after spending most of 2021 above any previous record high value. The highest weekly average for the lamb cutout was \$638.62 per cwt in the early part of August. Prior to 2021, the highest weekly lamb cutout value was \$407.34 per cwt. This year the lamb cutout has been above that value for 25 weeks.

Unlike beef, pork wholesale prices have been weaker over the last several weeks. Hams are touching close to the low point of the year, at just above \$60 per cwt. Loins have been stable but are below the higher values seen in June. Trimmings and bellies are both well above last year's prices but have fallen in recent weeks from the highest level this year. The weekly pork belly average price peaked at \$253 per cwt this year, and ended this week under \$200. Pork trimmings topped at \$167 per cwt, well above pandemic levels. The latest week marks the 6th week of declining prices, and lands



trimming price at \$109 per cwt. Beef wholesale cuts in the last week or so have shown modest signs of slowing down. Chucks, rounds, and loins all paused last week but are all still very near the very high levels. Fifty percent lean trimmings values also dipped. The two exceptions to recent weakness has been ribeyes, which continued to climb and 90% lean trimmings remained stable. Post labor day weakness is common in the beef complex before holiday buying starts. However, this year the seasonal norms have not held together.

Nearly every wholesale lamb cut price set a new record high in 2021. Single leg prices are

just under \$600 per cwt, loins are at \$1050, light racks peaked \$1450, and medium racks peaked over \$1500. These prices for most of 2021, similar to the cutout value, have been above any previous record high. Demand has far outweighed supply this summer and that has included a healthy bump in imported lamb (year to date up 19%).

BEEF EXPORTS CONTINUE STRONG PACE

Meat exports through July continued at a strong pace with total red meat up 5.6% year-to-date while poultry exports are up 4.6%. Beef exports were 297.3 million pounds in July which is 17.9% above last year and the highest export level for the month of July on record. Through the first seven months of the year beef exports are 21.0% above the same period from a year ago. The strong pace of shipments is attributable to growing export levels to South Korea (up 25.3%), Mexico (up 17.4%), and a nearly eleven-fold increase to China. Beef exports to China were 51.0 million pounds in July, a record level and more than eight times the amount shipped last year. Despite the strong pace of shipments, year-to-date levels to Japan, Canada, and Hong Kong are down 4.2%, 7.5%, and 31.7%, respectively.

Pork exports were 508.2 million pounds in July, down 8.5% from last year and the lowest monthly shipment level since September 2019. Year-to-date through July, pork exports are tracking nearly level with a year ago, down 0.2%. Through the first seven months of the year, higher exports to Mexico (up 24.2%), Japan (up 8.1%), South Korea (up 7.9%), and Canada (up 2.1%) have partially offset the 34.6% decline in shipments to China. Pork exports to China totaled 58.8 million pounds in July, down 62.2% from a year ago and the lowest level since May 2019. Exports to China peaked this year at 170.9 million pounds in March but have since declined precipitously 65.6% as of July.

July broiler exports dipped 8.2% from the prior month to 596.0 million pounds but rose 1.5% from the prior year. On average about a third of broiler exports are destined for Mexico which was 66.0 million pounds in July (up 15.6%) and through the first seven months of the year shipments are tracking 28.0% above the same period last year. Year-to-date broiler exports to Angola, Canada, and Caribbean are each up 51.0%, 5.9%, and 66.4%, respectively. Turkey exports were 46.5 million pounds in July, down 1.5% from last year. Year-to-date turkey exports are up 2.6% from a year ago supported by an 8.9% increase in shipments to Mexico through the first seven months of 2021.

SLOWER SHEEP SLAUGHTER SUPPORTS PRICES

Strength in the lamb cutout value and primal values have been very supportive of both feeder and slaughter lamb prices. The first week of August negotiated slaughter lamb prices hit an all-time record high of \$268.34 per cwt, a 74.2% (\$114.34 per cwt) increase from the start of the year. Prices have moderated lower recently with last week at \$248.83 per cwt, down 7.3% (\$19.51) from the record price. The 3-market (CO, TX, and SD) feeder lamb price hit a record high of \$342.44 per cwt in late-February with prices averaging well above \$260 per cwt for all of this year. Typically, feeder lamb prices range from \$160-210 per cwt. The strength in prices is being supported by a slower pace of sheep and lamb slaughter which is limiting available supplies.

The weekly sheep and lamb slaughter pace has been steadily declining since mid-May which has led to year-to-date slaughter levels nearly even with a year ago. This year slaughter started the year tracking near typical levels leading up to the Easter holiday season before the seasonal decline during the summer months. Similarly, dressed weights started the year at levels near a year ago but have steadily decreased since May. On average, dressed weights have been down 3.9% (2.6 pounds) which has led to a 3.4% decline in year-to-date lamb production.

Part of the slower pace in year-to-date sheep slaughter is due to lower levels of yearling sheep slaughter which are tracking nearly one percent (-0.7%) below the same period last year. The lower number of yearlings coming to market is being partially offset by a rising amount of mature sheep slaughter. Through late-August mature sheep slaughter is tracking 24.2% above the same period last year. Over the last five-years (2015-19) mature sheep slaughter through August has accounted for about 5.5% of total sheep slaughter, this year the average has been 7.2%. Since late May the percentage of mature sheep slaughter has risen, accounting for about 8-10% of total sheep slaughter compared to a five-year average of 5.8%. The growing number of mature sheep slaughter is likely an indication of drought impacts in the Western U.S. which may leading to lower inventory levels which will likely continue to support sheep and lamb prices in the near term.